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EXPERT WITNESS REPORT

KEITH JONSSON et al.

VS.

NATIONAL FEEDS, INC.

Submitted by:

Richard S. Hoffman, CPA/ABV

Principal/Shareholder

Date of Report:

January 31, 2013

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1 **I. INTRODUCTION**

2 I have been engaged to review and respond to the report of Wade C. Roberts, Ph.D. dated
3 November 7, 2012. Professor Roberts' report contains his opinions regarding the alleged
4 damages incurred by Cedar Valley Fur Farms ("the Jonssons" or "Plaintiffs"), as a result of their
5 claims made against National Feeds, Inc. ("National Feeds, Inc." or the "Defendant"). This
6 engagement, as with all of LonePeak's engagements, has been completed through the efforts of
7 multiple individuals. Since I intend to testify regarding the opinions described in this report, I
8 have typically used singular pronouns such as "me", "I", etc. to describe the basis for my
9 opinions. This is not meant to suggest that this report is a result of only my own efforts.

10 The opinions and findings expressed herein are based upon my work to date and upon the
11 pattern of facts that were observed in the review of the documents produced in this case,
12 publicly available documents, and my past professional experience. The information we have
13 reviewed is itemized in Schedule 1 of this report. This report has been prepared solely in
14 connection with the litigation referenced herein and is intended for no other use. Below, I have
15 described the bases for the opinions.

16 I may supplement, update or otherwise modify this report at a later date if I receive additional
17 relevant information produced to me during the proceedings of this matter.

18 This report is based on an assumption of liability. I have not done work to determine liability
19 and do not expect to do any such work. It is my understanding that National Feeds, Inc.
20 disputes the Jonssons' claims and asserts that it has not acted wrongfully.

21 **II. QUALIFICATIONS**

22 I am a Co-Founding Shareholder and Principal of Lone Peak Valuation Group. Prior to Lone Peak,
23 I was a Managing Director in the international professional services firm of LECG. I have over
24 eighteen years of experience in public accounting and am a Certified Public Accountant. I am
25 also accredited in business valuations through the American Institute of Certified Public
26 Accountants. I have taught many times on the proper methodology of calculating damages on
27 behalf of the National Association of Certified Valuation Analysts. I have also taught about the
28 process of valuing businesses and calculating damages at the University of Utah, as an adjunct

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professor. I have co-authored a book on performing damage calculations. Additionally, numerous articles of mine have been published in a variety of magazines and trade publications regarding the proper methods of determining value and calculating damages. I have also taught on such topics via presentations given at the national conferences of the American Institute of Certified Public Accountants and the National Association of Certified Valuation Analysts.

Schedule 2 contains a copy of my Curriculum Vitae detailing my qualifications, publications and speeches in the last ten years and trial and deposition testimony offered within the last four years.

III. BACKGROUND AND ALLEGATIONS

In the calculation of certain damage remedies (i.e. lost profits), the damage expert's task is conventionally viewed by damage experts as being to ascertain the amount of money that will make the damaged party whole or put the damaged party in the same position it would have been if not for the other party's allegedly wrongful actions.¹ In order to make such a calculation, it is usually necessary to focus on just how the alleged wrongful conduct impacted the plaintiff's business.

As part of my work, I analyzed the mink breeding industry. Through my research, I obtained a basic level of understanding of certain aspects of the business. Specifically, I gained some understanding of the mink breeding, kit (baby mink) raising, and harvesting processes. The following brief description summarizes the most pertinent parts of how I understand the plaintiffs operate their business.

The Jonssons operated two mink ranches; one in Lehi, Utah, and one in Cedar Valley, Utah. Keith Jonsson is the father of Michael Jonsson and together they raise mink at both the Lehi and Cedar Valley locations. It is my understanding that the Jonssons breed all the mink at the Lehi ranch and then the mink are separated to the two separate farms. The black mink are raised on the Lehi ranch and Mahogany mink on both the Lehi and Cedar Valley ranches.²

¹ Weil, Roman L., Michael J. Wagner, and Peter B. Frank, eds., *Litigation Services Handbook: The Role of the Financial Expert*, Third Edition, John Wiley & Sons, Inc., 2001, Chapter 5, page 4-5.

² Keith Jonsson Deposition, July 6, 2011, page 18.

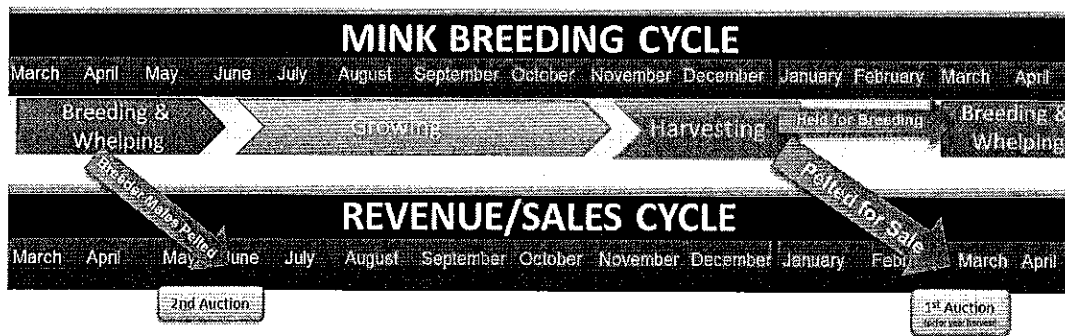
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54 Crop Year

55 The Jonssons begin each calendar year with a certain number of male and female mink that are
 56 used for breeding ("Breeder"). Generally, the female to male ratio for Breeder mink is
 57 between 4 to 1 and 5 to 1.³ During the first six months of the year, the female Breeder mink are
 58 bred and the gestational period ("Whelping") is completed. During the next six months the
 59 offspring ("kits") go through a growing period and the mink are then harvested and the furs
 60 ("pelts") prepared to be sold. The mink that are not pelted are kept as Breeders for the next
 61 year. This is referred to as the Crop Year.

62 The Jonssons sell their pelts either to or through the American Legend Cooperative ("ALC") in
 63 auctions held twice a year; the first is generally in the spring ("1st Auction") and the second is in
 64 May ("2nd Auction").⁴

65 The following chart depicts the Jonsson's business processes:



66 Therefore, the pelts produced in each Crop Year are generally sold in the following calendar
 67 year. For purposes of our analysis, when the term Sales Year is used, the sales represent the
 68 sales in the stated year; and the Breeders in the stated year represent the breeders from the
 69 previous calendar year breeding cycle. This is to more accurately match revenues and expenses.
 70

71 The Plaintiffs allege that the Defendants' provided them with contaminated feed in the early
 72 part of 2010 that seriously impacted their breeder mink herd at the Lehi location.⁵ The Plaintiffs
 73 testified the mink being raised at the same time at Cedar Valley location were not fed the

³ Keith Jonsson Deposition, July 6, 2011, page 53.

⁴ Keith Jonsson Deposition, July 6, 2011, page 65.

⁵ Complaint page 5 line 29-33; Deposition of Keith Jonsson dated July 6, 2011, page 39.

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74 alleged contaminated feed.⁶ The feed allegedly impacted the mortality rates of the mink in
 75 2010 and the breeder minks' ability to reproduce in 2011 and future years ("Alleged Wrongful
 76 Conduct").

77 According to the Complaint filed in this matter, "...Plaintiffs have not only been damaged but will
 78 also be damaged in the future as to the long term profitability of their ranches and in their
 79 reputation for producing quality mink "⁷ (emphasis added). The Complaint does not further
 80 discuss damages other than to say that the "...National Feed's product was a cause of Plaintiffs'
 81 mink death and injury."⁸ Damage experts would typically measure damages resulting from
 82 these types of claims as Lost Profits.

83 The Plaintiffs' damage expert, Dr. Roberts, was asked "to provide a professional opinion in
 84 regards to the economic impact experienced by the Cedar Valley Fur Farms following the
 85 feeding of lactation crumlets in 2010."⁹ Dr. Roberts summarized his calculations into the
 86 following three categories ("Damage Categories"):¹⁰

- 87 A. Loss of sales revenue on pelts sold in 2011 due to substandard quality of pelt
 88 produced from the 2010 Crop Year ("Pelts Taken to Market \$62,627");
- 89 B. Loss of pelt sales revenue in 2010, 2011, 2012, and 2013 due to high kit mortality
 90 rates and low Reproduction Rates ("Pelts Not Taken to Market \$1,380,771"); and
- 91 C. Loss of breeder mink that would have been retained for the 2011 and future
 92 breeding seasons and the cost of replacing breeder minks ("Breeder Mink
 93 \$1,142,500").

94 Dr. Roberts summarizes his work on page 6 of his report where he states, "In reviewing all facts
 95 pertaining to this case, it is my professional opinion that the minimum monetary figure required
 96 to compensate the Jonssons for losses experienced consequent to the advent of lactation
 97 crumlets is \$2,667,905 (current as of October 2012)."

⁶ Complaint page 5 line 32.

⁷ Paragraph 83 of Complaint filed 2/4/2011

⁸ For example, see Paragraph 91, 106, 113, etc.

⁹ Expert report of Wade C. Roberts; page 2

¹⁰ Expert report of Wade C. Roberts; page 47.

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98 **IV. OPINIONS**

99 **A. Dr. Roberts Has Not Measured Lost Profits or Any Other Conventional Measurement**
 100 **of Damages. Instead, He Has Measured Lost Revenues, from Which Costs and Risk**
 101 **Must Be Accounted For In Order to Measure Lost Profits**

102 The amounts measured by Dr. Roberts are in no way "...the minimum monetary figure required
 103 to compensate the Jonssons..."¹¹ because Dr. Roberts has not measured Lost Profits. Instead he
 104 has measured Lost Revenues as has not deducted one single dollar's worth of expenses from his
 105 calculation of Lost Revenue. This is an extremely significant error in that he has not accounted
 106 for any of the incremental costs necessary to breed, feed, raise, and harvest the additional mink
 107 that Dr. Roberts claims his client would have otherwise raised and sold. This error is especially
 108 material given the large increase in the number of mink his calculations suggest would have
 109 been raised by Cedar Valley Fur Farms. Further, this apparent oversight can't be remedied from
 110 the data and analysis that was produced in his report. Finally, this approach is contrary to Dr.
 111 Roberts own report. For example, his report states (emphasis added):

- 112 1. Mink ranchers, in conjunction with profit maximizing principles, are concerned with
 113 both total revenue *and total cost functions*.
- 114 2. *Total costs are also targeted* - with efforts to become more efficient and reduce
 115 costs subtracted from revenue received.
- 116 3. While *considering both total revenue and total cost* in my process of analysis,...
- 117 4. *We now turn our attention to the total cost side of the equation.*

118 Despite acknowledging the necessity of considering costs when estimating lost profits, Dr.
 119 Roberts never did turn his attention to the total cost side of the equation and therefore hasn't
 120 measured any conventional remedy of damages.

121 **B. Dr. Roberts Calculations of Revenue Do Not Pass the Most Basic of Reasonableness**
 122 **Tests**

123 Further, Dr. Roberts has greatly overstated any revenues that may have been lost by the
 124 Jonssons. The reasons for his overstatement are described in detail below. In sum, he has not

¹¹ Expert report of Wade C. Roberts; page 6.

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tested assumptions that he made for reasonableness, reliability, or for consistency with the factual accounting data. Further, the assumptions he used are often contrary to the accounting data. He has not supported the methods that he has claimed to have used with any details of his analysis. Finally, he has omitted steps in measuring damages that are conventionally applied by the community of damage experts. The following illustrates the Plaintiffs' expected results based on historical performance and the unreasonableness of the amounts ultimately determined by Dr. Robert's (See Schedule 3):

Expected Results Assuming Average Historical Kits and Market Prices

Year	Quantity			Market Prices		Actual/Expected		
	Black Pelt Sales	Mahogany Pelt Sales	Total Pelt Sales	Average Black Pelt Price	Average Mahogany Pelt Price	Total Sales	Actual Sales	Estimated Lost Sales
2008	11,618	17,598	29,216	\$ 58.05	\$ 54.13	\$ 1,627,051		
2009	9,994	14,349	24,343	\$ 40.16	\$ 37.82	\$ 944,068		
2010	11,787	18,020	29,807	\$ 59.04	\$ 57.76	\$ 1,736,724		
2011	11,133	16,656	27,789	\$ 74.52	\$ 76.95	\$ 2,112,325	\$ 2,133,968	\$ (21,643)
2012	11,133	16,656	27,789	\$ 85.02	\$ 86.51	\$ 2,387,494	\$ 2,754,476	\$ (366,981)
2013	11,133	16,656	27,789	\$ 98.66	\$ 105.08	\$ 2,848,559		

No Loss

Expected Results Assuming Highest Historical Volume and Market Prices

Year	Quantity			Market Prices		Actual/Expected		
	Black Pelt Sales	Mahogany Pelt Sales	Total Pelt Sales	Average Black Pelt Price	Average Mahogany Pelt Price	Total Sales	Actual Sales	Alleged Lost Sales
2008	11,618	17,598	29,216	\$ 58.05	\$ 54.13	\$ 1,627,051	\$ -	\$ -
2009	9,994	14,349	24,343	\$ 40.16	\$ 37.82	\$ 944,068	\$ -	\$ -
2010	11,787	18,020	29,807	\$ 59.04	\$ 57.76	\$ 1,736,724	\$ -	\$ -
2011	11,787	18,020	29,807	\$ 74.52	\$ 76.95	\$ 2,266,106	\$ 2,133,968	\$ 132,138
2012	11,787	18,020	29,807	\$ 85.02	\$ 86.51	\$ 2,561,132	\$ 2,754,476	\$ (193,344)
2013	11,787	18,020	29,807	\$ 98.66	\$ 105.08	\$ 3,056,447		

No Loss

C. Dr. Roberts Has Not Performed Statistical Analysis Usually Performed by a Statistician When Measuring Damages. He Has Also Made Assumptions that Defy the Accounting Evidence That Has Been Produced.

As discussed in the American Institute of Certified Public Accountants' ("AICPA") Practice Aid 06-4, "Calculating Lost Profits" it is generally understood by damage experts that:

The plaintiff must prove that their loss is related to the breach or wrongful act. The fact that the

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140 defendant breached a contract or performed a wrongful act does not alone support damages.¹²

141 The practitioner should also be aware of the distinction between the legal requirement of
142 causation and the proof of the amount of damages. **In order to recover damages for lost**
143 **profits, it is necessary to show that the damages were proximately caused by the wrongful**
144 **conduct of the defendant.**¹³ [Emphasis added.]

145 In many cases, damage experts are required to make assumptions regarding the link between
146 the actions of the defendant and how those actions are linked to the lost profit damages being
147 sought by the plaintiff. Damage experts are trained that to "the extent that assumptions are
148 required, they should be backed by strong factual support."¹⁴ Many times the link between the
149 alleged harmful conduct and the damage measure is based on disputed facts. In such instances,
150 it is not uncommon for the damage expert to assume a factual interpretation consistent with his
151 client's interpretation. In such instances, the damage expert does not typically opine on the
152 propriety of the assumption, since it is considered by damage experts to be a question of fact
153 that will be determined by the Finder of Fact.

154 However, even in such instances, forensic accountants conventionally review any relevant
155 financial data to determine if the business records are consistent with the factual assumptions
156 the damage expert has been asked to make.

157 When there is relevant financial information, the forensic accountant's analysis may help the
158 Finder of Fact make a factual determination.

159 Likewise, other assumptions may be based on expert testimony of an expertise that lies *outside*
160 a financial expert's particular area of specialized knowledge. For such assumptions, the damage
161 expert conventionally relies on the testimony of the other expert and is again incapable of
162 testing the reliability of the assumption.

163 Finally, other assumptions in damage calculations lie *within* the damage expert's area of
164 expertise. In these cases, an expert typically applies their specialized knowledge to assess the

¹² American Institute of Certified Public Accountants Practice Aid 06-4, "Calculating Lost Profits," p. 19.

¹³ American Institute of Certified Public Accountants Practice Aid 06-4, "Calculating Lost Profits," p. 19.

¹⁴ Fannon, Nancy J., Ed., The Comprehensive Guide to Lost Profits Damages, 2009 Edition, Business Valuation Resources, LLC, 2009, Chapter 6, page 6-1.

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165 reasonableness of the assumptions they have been asked to make. Damage experts do not
 166 conventionally assume something that is contrary to the methods and general beliefs of the
 167 financial community.

168 In this case, the damages, as measured by Dr. Roberts, are dependent on assumptions that
 169 could have been tested by Dr. Roberts through the type of conventional analysis utilized by
 170 damage experts. Dr. Roberts did not disclose in his report evidence of testing the assumptions
 171 that a statistician would normally be used to support through statistical tests.¹⁵ Further, Dr.
 172 Roberts has seemingly ignored the relevant accounting, financial, or economic evidence¹⁶ that is
 173 contrary to his assumptions. By doing so, he has overstated all three of his calculations of Lost
 174 Revenue.

175 **Pelts Taken to Market \$62,627:**

176 Professor Roberts assumed the Alleged Wrongful Conduct caused low pelt quality of mink kits
 177 raised during the 2010 Crop Year. As part of this assumption, he also assumed:

- 178 a. The Jonssons' experienced a loss of \$62,627 in 2011 as a result of the
 179 reduced quality of the pelts taken to market.
- 180 b. The Plaintiffs' actual pelt quality is outside of the normal variance in pelt
 181 quality experienced by the Plaintiffs
- 182 c. That pelts sold during 2011 would have been sold at market averages.
- 183 d. The variance that does exist in the pelt quality is attributed only to the
 184 Alleged Wrongful Conduct.

185 In support of his opinion that the Plaintiffs experienced a loss of \$62,627 in sales on the pelts
 186 taken to market in 2011, Dr. Roberts prepared a chart that seems to provide 100% of the basis
 187 for this damage number. I have added a yellow box to the chart from where his damage
 188 number has come. The chart is a historical comparison of the actual prices received by the

¹⁵ If Dr. Roberts produces any statistical analysis subsequent to the issuance of my report, I intend to have a statistician review such testing and update my report accordingly.

¹⁶ Based my review of the deposition testimony of the Plaintiffs, the Plaintiffs have not maintained the historical documentation normally kept by businesses that is needed to most reliably examine many of the assumptions used by Dr. Roberts

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189 Plaintiffs for its pelts taken to market. The Plaintiffs' actual historical sales were compared to
 190 the amount that the sales would have been had the Plaintiffs' pelts been sold exactly at market
 191 average prices. Dr. Roberts provided the following information:¹⁷

**CHART 14: JONSSON PRICE PERFORMANCE RELATIVE TO
 MARKET PERFORMANCE (WEIGHTED AVERAGE
 CALCULATIONS)**

	2007	2008	2009	2010	2011	2012
JONSSONS	1,350,958	1,752,254	928,994	1,733,710	2,133,968	2,764,603
MARKET AVERAGE	1,338,719	1,733,509	944,068	1,736,812	2,196,595	2,701,516
DIFFERENCE	12,239	18,744	(15,074)	(3,102)	(62,627)	63,087
DIFF (%)	0.009	0.011	-0.016	-0.002	-0.029	0.023

192

193 Based on the information in the above Chart, Dr. Roberts concludes that the Jonssons' price
 194 performance is very near the price performance of the market averages for the industry. He
 195 further concludes that the Jonssons pelts taken to market underperformed the market in 2011
 196 by \$62,627 and this underperformance is entirely due to the reduced pelt quality caused by
 197 Alleged Wrongful Conduct.

198 Dr. Roberts' conclusion is not consistent with or supported by his analysis. The chart above
 199 demonstrates that variation exists between the average prices received for the Jonssons' pelts
 200 and the average prices received by other pelts sold by the American Legend Cooperative. Dr.
 201 Roberts does not calculate an expected variance. Nor has he explained what caused the
 202 variation from year to year, specifically, in 2012 when the Jonssons' outperformed the average
 203 market prices by \$63,087.

204 For damages calculated in a conventional manner measure only variance that falls outside of the
 205 normal expected variance. The calculation of expected variance, and the determination of
 206 whether or not the aforementioned variance is statistically significant, is a test statisticians
 207 usually perform for this type of measurement. Dr. Roberts did not do so. Further, if the
 208 crumlets cause such a variance, any beneficial variance must be offset against any detrimental
 209 impact.

¹⁷ Expert report of Wade C. Roberts; page 13, Chart 1

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Thus, if this approach were the correct way to measure damages, which it is not, then the Plaintiff has benefitted by the use of crumlets in the amount of \$460 (-62,627+63,087). This amount considers the difference in price received as compared to the market averages over all the years the Plaintiff claims it was damaged.

**CHART 14: JONSSON PRICE PERFORMANCE RELATIVE TO
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Pelts Not Taken to Market - Low Reproduction and High Mortality Rates \$1,380,771:

Dr. Roberts opined the Alleged Wrongful Conduct caused the loss of 4,400 black mink and 1,100 mahogany mink during the 2010 Crop Year.¹⁸ In order to make this determination, Dr. Roberts assumed:

- a. An unreasonably high ratio of female breeders to pelts sold,
- b. No minks ever die before being large enough to be sold for pelting,
- c. The Alleged Wrongful Conduct caused low reproduction rates of the black breeder females,
- d. There is no normal reproduction rates from year to year,
- e. The black breeder mink purchased after the Alleged Wrongful Conduct also experienced reduced Reproduction Rates.

¹⁸ Expert report of Wade C. Roberts; page 13, Chart 1.

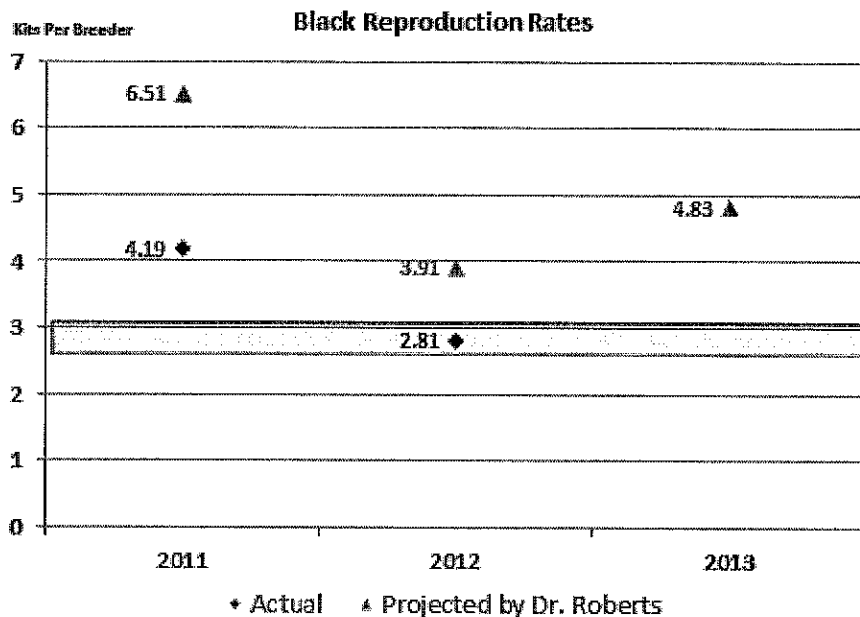
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226 **An Unreasonably High Ratio of Female Breeders to Kits**

227 Dr. Roberts did not seem to test the reliability of his calculations because he skipped
 228 preparation of a conventional accounting step used to test measurements like the one he put
 229 forth - an inventory roll-forward.

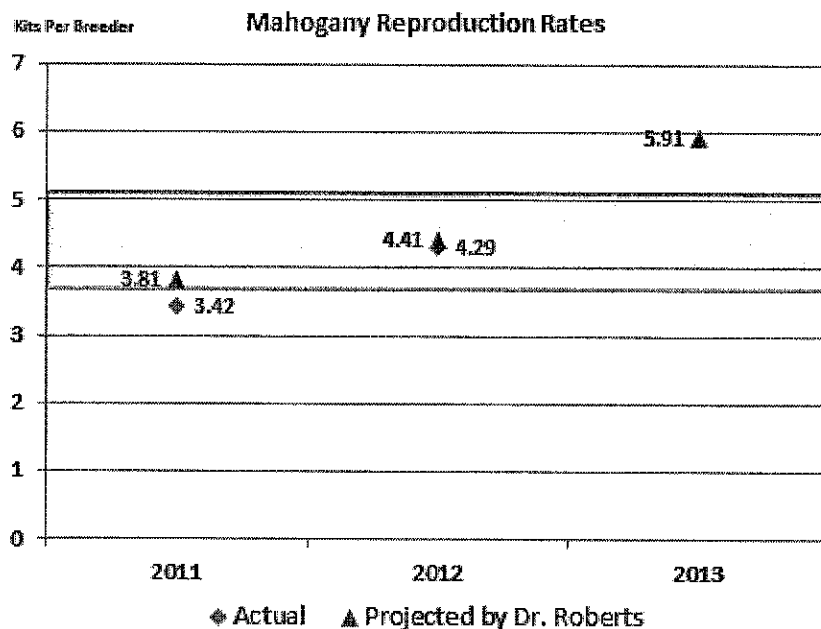
230 An inventory roll-forward recognizes that inventory can be analyzed over time by starting with
 231 beginning inventory, adding any purchase or kits, subtracting deaths, sold kits, which results in
 232 the time periods' ending inventory. Of course, the ending inventory is equal to next year's
 233 beginning inventory and so the inventory can be "rolled-forward" over time. I have used Dr.
 234 Roberts' assumptions regarding kits, death rates, etc to prepare an inventory roll forward based
 235 upon his assumptions and it demonstrates that the assumptions used by Dr. Roberts are not
 236 reliable. For example, combining the Plaintiff actual results with Dr. Roberts' alleged lost pelts,
 237 the 2011 Black Female Breeder Reproduction Rate is 6.08, when the actual rate for the previous
 238 three year was 3.11, 2.62, and 2.78 (See Schedule 5 for more details).

239 The Graphs below compare the historical Kit/Breeder production to the production projected by
 240 Dr. Roberts for Black and Mahogany female breeder:



242 See Schedule 5.1 for more details.

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244 See Schedule 5.1 for details.

245 The Graphs illustrates the fact that the production during the damage years was within the
 246 historical range experienced by the Plaintiff (with the exception of Mohogany in 2011 which I
 247 discuss further below). The Graphs also illustrate that Dr. Roberts' projections are much greater
 248 than what was historically generated by the Plaintiff. Finally, the Graphs show that even if his
 249 projections of kit production were true, the production is within the historical range without
 250 crumlet feeding. In other words, his own projections indicate there are no damages for what Dr.
 251 Roberts refers to as "Pelts not Taken to Market".

252 In sum, giving the Plaintiff every single benefit of the doubt and ignoring many of the
 253 aforementioned problems in the analysis of Dr. Roberts, the number of lost mink is no more
 254 than 1,508, (for the shortfall from the lower end of the historical average in Mohogany in 2011).
 255 In 2011, the average sales price for Mohogany was \$73.10 indicating the maximum Lost
 256 Revenue for mink was no more than \$110,235.¹⁹ This number is not damage since the costs
 257 must still be subtracted to measure Lost Profits. Nevertheless, this analysis demonstrates that
 258 Dr. Robert's calculation of Lost Revenue is exaggerated greatly.

¹⁹ If the shortfall were calculated based on the Reproduction Rate resulting from Dr. Robert's assumptions (Schedule 5.1), the Lost Revenue would be \$165,352.

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259 **No Minks Ever Die before being Large Enough to be Sold for Pelting**

260 Dr. Roberts assumes that every single premature death loss experience by the Plaintiffs was due
 261 to the Alleged Wrongful conduct. He did not consider that fact that the Plaintiffs experience
 262 some level of loss due to death each year.²⁰ This is another assumption that a statistician would
 263 be expected to test. Yet, Dr. Roberts has not provided any analysis of the Plaintiffs' historical
 264 losses due to death. Instead, he has simply assumed that for some reason, the Jonsson's mink
 265 never die - unless they eat crumlets.

266 **There is No Normal Variance in Reproduction Rates from Year to Year.**

267 Dr. Roberts analysis acts as if there is not any fluctuation in the annual reproduction rate.
 268 Reproduction Rates naturally vary from year to year even when there is no Alleged Wrongful
 269 Conduct. Damage experts commonly utilize a statistician or otherwise obtain statistical analysis
 270 to determine whether or not the variance being analyzed is outside of the normal expected
 271 range of variance. Dr. Roberts did not do this analysis.

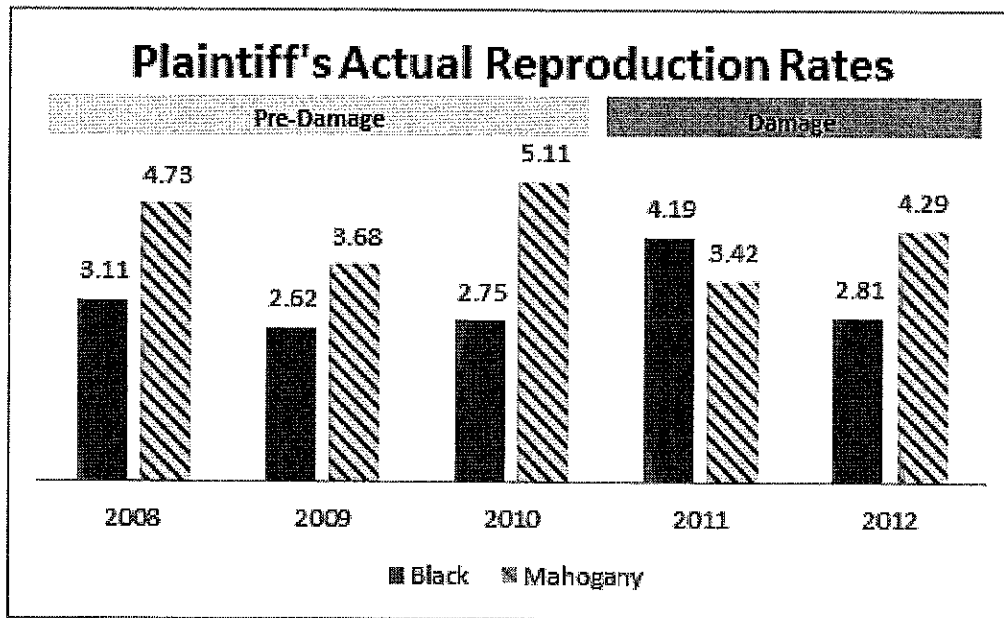
272 Based on my review of the accounting evidence that is available, the actual Reproduction Rates
 273 experienced by the Plaintiffs varied each year.²¹ In the three years prior to any claimed
 274 wrongdoing, the Plaintiffs experienced Reproduction Rates that ranged from 2.62 to 5.11.²² The
 275 following table demonstrates the actual variation in Reproduction Rates experience by the
 276 Plaintiffs:

²⁰ For example, see bates numbers PL000243, PL000241, and PL000244, which identify Freezer Mink of varying amounts. Freezer Mink contain mink casualties throughout the year that are waiting to be pelted (See Michael Jonsson Deposition page 42 and Keith Jonsson Deposition page 62-63).

²¹ See Schedules 4, 5, & 5.1.

²² The Reproduction Rates I used have been adjusted to account for any change in the size of the Plaintiffs' breeder herd. See Schedules 4 for more detail.

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277

278 Dr. Roberts ignored the fact that there is a normal range of variance in which the Reproduction
 279 Rate fluctuates from year to year. The flaw in his methodology can be further revealed by
 280 applying his methodology to the female breeders in years 2008 to 2010, years in which no
 281 wrongdoing is alleged. Dr. Roberts' approach leads to a substantial overstatement of revenue in
 282 every year of between 35% and 70%, before they ever fed the crumlets to their mink. In other
 283 words, the most basic testing demonstrates that Dr. Roberts' approach is one that the damage
 284 expert community would not accept as reliable. See Schedule 6 for more detail.

285 No Intervening Factors Affected the Reproduction Rate

286 There are several factors that would likely impact the Reproduction Rate, such as weather
 287 conditions, age of the female breeders, the number of kits produced, the number of mink lost to
 288 disease, the decision to change the herd size based on market conditions, etc. Dr. Roberts did
 289 not consider any other reasons the Reproduction Rate varied throughout his damage period. He
 290 does acknowledge that such factors may exist and even acknowledges that one must normally
 291 consider such factors.²³ However, his report indicates that by relying on the experience at Cedar
 292 Valley, he has effectively accounted for all such risk.

²³ Expert report of Wade C. Roberts; page 11.

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293 Once again, Dr. Roberts made an assumption (that the kit production at one location would be
 294 the exact same as at the other) without ever testing this assumption. Nowhere in his report, has
 295 Dr. Roberts demonstrated the basis for expecting the two farms to produce at the exact same
 296 rate.

297 The following is a list of reasons to expect the two ranches would not be exactly the same:

- 298 • Only Mahogany Mink are raised at Cedar Valley, where as Lehi has both black and
 299 mahogany.²⁴
- 300 • Weather conditions are not exactly the same.²⁵
- 301 • Water source is different at each location.
- 302 • Lehi is adjacent to a lighted sports arena and closer to a more populated area than
 303 Cedar Valley.²⁶
- 304 • Age of the female breeders moved to each location is not exactly the same.²⁷

305 **The Black Breeder Mink Purchased after the Alleged Wrongful Conduct Experienced**
 306 **Reduced Reproduction Rates.**

307 Dr. Roberts calculations are based on an assumption that the black female breeder mink that
 308 were purchased by the Plaintiffs subsequent to the Alleged Wrongful Conduct were also
 309 somehow affected by the crumlets. This can't be accurate. Dr. Roberts' report says:²⁸

310

At the start of 2012, The Jonsson ranchers held 4,630 mahogany, 3,127
 black, and 975 additional black breeder females that were purchased to bridge the gap in female
 breeders from the previous season

²⁴ Keith Jonsson Deposition, pages 18-22.

²⁵ Keith Jonsson Deposition, pages 69.

²⁶ Keith Jonsson Deposition, page 21-22.

²⁷ Keith Jonsson Deposition, page 21-22.

²⁸ Expert report of Wade C. Roberts; page 22.

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311 Next, he adds the purchased breeders to the 3,127 as shown in the following chart, to get 4,102
 312 allegedly affected mink as demonstrated here:

Female Breeder per Roberts	2012
Black Female Breeders Held	3,127
Black Female Breeders Purchased	975
Female Count (Chart 5)	4,102

313
 314 Next, he uses 4,102 mink to calculate the lost kits shown here on a copy of his Chart 6:

**CHART 6: QUANTITATIVE DISTINCTION IN KIT COUNT,
 ACCOUNTING FOR KIT PER LITTER DISTINCTIONS (2012)**

BLACK MINK			
	FEMALE COUNT	KITS PER LITTER	TOTAL KITS
w/lactation crumlets	4102	3.730	15,300
w/out lactation crumlets	4102	4.826	19,796
DIFFERENCE			4,496
MAHOGANY FEMALES			
	FEMALE COUNT	KITS PER LITTER	TOTAL KITS
w/lactation crumlets	773	5.184	4,007
w/out lactation crumlets	773	5.909	4,568
DIFFERENCE			560

315
 316 Including the purchased Black Female Breeders in his analysis, Dr. Roberts assumes the newly
 317 purchased female breeders would have experienced the same alleged reduced Reproduction
 318 Rates as the black female breeders that were fed the cumlets.

319 The Alleged Wrongful Conduct Caused the Plaintiffs to Replace Damaged Black and Mahogany
 320 Breeders that Would not have Otherwise Needed Replacement (\$1,142,500).

321 Dr. Roberts's calculated the value of the female breeders that he claims would have comprised
 322 the herd absent the Alleged Wrongful Conduct. The following is the Chart used by Dr. Roberts:²⁹

²⁹ Expert report of Wade C. Roberts; page 46.

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CHART 18: BREEDER MINK, PURCHASE PRICE & REPLACEMENT VALUE (2010 - 2013)

ITEM	2010	2011	2012	2013
Breeders Quantified	1,560	300	975	380
Replacement Value	\$ 250	\$ 250	\$ 500	\$ 500
YEARLY TOTAL	\$ 390,000	\$ 75,000	\$ 487,500	\$ 190,000
COMBINED TOTAL	\$ 1,142,500			

323

324 In order to make this determination, Dr. Roberts assumed:

325 a. It cost between \$250 and \$500 to buy a breeder mink.

326 b. The Plaintiffs are entitled to double counted damages.

327 It cost between \$250 and \$500 to buy a breeder mink.

328 Dr. Roberts uses a replacement cost of \$250 in 2010 and 2011, and \$500 in 2012 and 2013. Dr.

329 Roberts explains that the costs to purchase the breeders at these two points in time come from

330 a quote received from Patrick Fur Farm.³⁰ According to Dr. Roberts, mink farms are often not331 capable of providing mink ranchers with hundreds of breeders.³¹

332 The breeder replacement costs used by Dr. Roberts are unreasonable as they on are

333 inconsistent with the other evidence produced. Dr. Roberts should have used the actual

334 purchase price of the breeder minks purchased. According to the Keith Jonsson, the breeders

335 were purchased for between \$100 and \$110 per mink.³² Mr. Jonsson stated in his deposition:

336 Q. ...Between December of 2010 and now, how many mink have
 337 you purchased from other sources? ... did you purchase any this last year?

338 A. I did.

339 Q. How many did you purchase this last year?

340 A. I had an order of 500 from Lyle Groves and I had an order of 500 from some kid out in
 341 Riverton. And then I got, I think, it's 115 from Gordy again.

³⁰ Expert report of Wade C. Roberts; page 46, and PL0001794 and PL0001795.

³¹ Expert report of Wade C. Roberts; page 46.

³² As with many areas of the damage calculation, accounting evidence normally expected to be produced by a business (copies of invoices, purchase documents) was not produced. If additional accounting evidence is produced, I intend to update my calculations accordingly.

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342 Q. Okay. And do you know how much you paid for all of those?

343 A. I paid **\$100** at the time from the one guy. I paid Lyle Groves \$10 over his top average,
344 which was mine because he sells with me. And so he got, I believe, **\$110** on those. And
345 then Gordy was – I believe it was **\$110** on his also.

346 Dr. Robert provides no explanation for why the actual purchase price of the breeder mink
347 purchased by the Plaintiffs was not used in his analysis. Furthermore, the documentation
348 produced by the Plaintiffs indicates that in 2010, the Plaintiffs sold 5,500 live mink. Dr. Roberts
349 could have used this as another point of reference for the market price of a breeder mink.

350 This error is compounded by the fact that Dr. Roberts chose not to consider any salvage value
351 for the breeder pelts he claims died as a result of the crumlets nor has he considered any
352 additional costs of maintaining the additional mink. Since Dr. Roberts has not accounted for his
353 inventory in a traditional manner it is impossible to determine at this point whether or not he
354 has double counted these pelts in his damage figure.

355 **Other Factors Ignored by Dr. Roberts**

356 The AICPA's Practice Aid discussed above also outlines the steps required in the "Before and
357 After" method employed by Dr. Roberts in calculating lost profits. The Practice Aid states:

358 This method compares the plaintiff's performance before the event or action causing lost profits
359 to the plaintiff's performance after that event or action. The underlying theory is that, "but for"
360 the defendant's action, the plaintiff would have experienced the same level of revenues and
361 profits after the event or action as the plaintiff did before that event or action.³³

362 The practitioner, however, should consider other factors that could have affected the plaintiff's
363 level of revenues and demonstrate how those factors have been taken into consideration.³⁴
364 [Emphasis added.]

365 Dr. Roberts has also ignored the conventional method of accounting for all of the potential
366 business and economic risks that are associated with financial projections such as his related to
367 the alleged future damages (assumed to occur from 2010 to 2013).

³³ American Institute of Certified Public Accountants, Practice Guide 06-4, "Calculating Lost Profits," p. 25.

³⁴ American Institute of Certified Public Accountants, Practice Guide 06-4, "Calculating Lost Profits," p. 25.

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368 Another conventional method of making sure that a damage calculation is reasonably certain
 369 and avoids over-stating damages, is to account for the "Time Value of Money" and "Business
 370 Risks" that are inherent in any future damage measure. Dr. Roberts has skipped this step
 371 entirely again causing his damage measure to be overstated and in contradiction to
 372 conventional methods used by damage experts.

373 ***Accounting for the Time Value of Money***

374 It is universally understood that a dollar is worth more today than a dollar at some later point of
 375 time in the future. This is due to the holder's ability to earn interest on the money if it's held
 376 today. Thus, if a Finder of Fact were to award damages that include amounts the Plaintiff would
 377 not have otherwise earned until sometime in the future, it is necessary that the future amounts
 378 be reduced to account for the fact that the Plaintiffs can invest such funds until they would have
 379 otherwise been earned.

380 This step is referred to as converting future amounts into their "Present Value" equivalent. Any
 381 forecast of lost profits into the future is therefore discounted to account for the Time Value of
 382 Money allowing damages to be shown at their "Present Value."

383 The method used to convert future amounts into their present value equivalent involves the
 384 application of a universally agreed upon mathematical model. The mathematical model relies
 385 on three main inputs:

386 1. **The amount of the expected future economic benefits.** This is the amount of the projected
 387 future lost profits, which Dr. Roberts has not calculated. Dr. Roberts projected losses that
 388 he claims the Plaintiffs will incur between 2010-2013.

389 2. **The timing for receiving those benefits.** In order to properly apply the mathematical
 390 formula, the analyst must estimate the date during which the projected amounts would
 391 have been (will be) generated. The further into the future, the more the amount is reduced
 392 to account for Business Risks. Thus, in order to properly account for the Time Value of
 393 Money, the date of which the present value is determined must be known.

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In this case, damages should have been measured as of the date of the Alleged Wrongful Conduct, which I understand to have been in the early part of 2010, because this is when the Plaintiffs fed their respective breeder herds the Defendant's product that allegedly impacted their breeder mink herds and the breeder minks' ability to reproduce.

3. **The Discount Rate.** A discount rate is a factor, often expressed as a percentage, by which a future amount is reduced to a present value.³⁵ An appropriate discount rate used in litigation is generated through the same conventional procedures and applying the same theories that are used in conducting business valuations. The discount rate is comprised of two large components: 1) A component to account for *the Time Value of Money* and 2) a component to account for the *Business Risks* that are inherent within the financial projections at issue.

In calculations involving projections of future earnings, future profits, or future cash flows, the projections must be discounted to account for the Time Value of Money in the conventional manner that is used by financial experts. Most projections of lost future profits must also be reduced to account for Business Risks Inherent in Projections.

Business Risks Inherent in Projections

It is also conventional for damage experts to reduce the damage calculation to account for the uncertainties that are inherent within any financial forecast³⁶ due to the many type of risks that all businesses face ("Business Risks").

A forecast of lost profits must also be discounted to account for the Business Risks that are part of any projection of profits. In Shannon Pratt's "Valuing a Business," the concept embodied by Business Risk is defined as:

*"the degree of uncertainty as to the realization of the expected future returns."*³⁷

³⁵ Fannon, Nancy J., Ed., *The Comprehensive Guide to Lost Profits Damages*, 2011 Edition, Business Valuation Resources, LLC, 2011, page 466.

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418 Capital market theory divides this risk into two components: *systematic risk* and
 419 *unsystematic risk*.³⁸

420 • *Systematic Risk*

421 Systematic Risk is "the uncertainty of future returns resulting from the sensitivity of the
 422 return on the subject investment to movements in the return on the investment market
 423 as a whole."³⁹ In other words, this type of Business Risk represents the risks businesses
 424 face related to changes in the overall economy. For example, a downturn in the
 425 economy, increase in fuel costs, interest rate fluctuations, etc.

426 • *Unsystematic Risk*

427 Unsystematic risk is based on specific factors affecting the operations of the specific
 428 company that is being forecast. Business Risks that are specific to the company include
 429 things like the amount of snowfall for a ski rental company, the amount of debt for an
 430 overly leveraged firm, an inexperienced level of management, etc.⁴⁰

431 In this case, specific risks include factors such as the age of the female breeding herd, variance in
 432 mink reproduction rates, weather conditions, disease among the mink herd, moving operations
 433 from one location to another, etc.

434 The business valuation community has long applied conventional methods to account for such
 435 Business Risks and my analysis is consistent with those methods. There are two main ways that
 436 are conventionally used by damage experts and/or the business valuation community: the
 437 *Expected Cash Flow Approach* or the *Capital Markets Approach*.

³⁷ Pratt, Shannon, P., *Valuing a Business: The Analysis and Appraisal of Closely Held Companies*, Fifth Edition, McGraw Hill, 2008, page 184.

³⁸ Pratt, Shannon, P., *Valuing a Business: The Analysis and Appraisal of Closely Held Companies*, Fifth Edition, McGraw Hill, 2008, page 185.

³⁹ Pratt, Shannon, P., *Valuing a Business: The Analysis and Appraisal of Closely Held Companies*, Fifth Edition, McGraw Hill, 2008, page 185.

⁴⁰ See for example, AICPA Practice Aid 06-4, "Calculating Lost Profits," Chapter 13, Financial Discounting of Future Lost Profits to Present Value, pg. 39.

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438 Expected Cash Flow Approach:

439 In the first method, Business Risks are accounted for directly within the projection of lost profits.
440 This method can be implemented in a couple of ways. One way an analyst can account for
441 Business Risks inherent in the projections is to adjust the projections so that they reflect
442 information that is now known but would not have been known as of the date the projection is
443 being made.

444 Specifically, the analyst uses data generated between the date of the damage calculation
445 (usually the date of the alleged bad act) and the present date. For instance, drastic changes in
446 the general economy that have occurred since the date of injury can be reflected and factored
447 directly into the projections of lost profits. The use of hindsight information in this manner
448 generally reduces the level of uncertainty that is inherent in the projection of lost profits.

449 The analyst might also use estimates known to be "conservative" when deciding on inputs that
450 are used in making the projections. Using conservative estimates can directly reduce the
451 riskiness of the projections being forecasted and therefore increase the reliability of such
452 projections.

453 Dr. Roberts did not account for Business Risks in this manner. In fact, Dr. Roberts
454 inappropriately assumes constantly optimistic conditions for three years. Consider:

- 455 1) He assumed the Reproduction Rates of Black and Mahogany breeders to be 4.826
456 and 5.909, respectively, which is higher than the Plaintiffs' actual Reproduction
457 Rates in the previous three years.
- 458 2) He assumed, without any supporting evidence, that the Lehi and Cedar Valley
459 ranches were historically indistinguishable as it relates to kit-count averages,
460 production, and whelping.
- 461 3) He used a single historical reproduction rate for all years of his damage period.
- 462 4) He assumed the Plaintiffs would have received a market average price per pelt in
463 2011, 2012, and 2013.
- 464 5) He assumed the Plaintiffs would have grown their ranch to capacity in 2011.

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465 Capital Markets Approach:

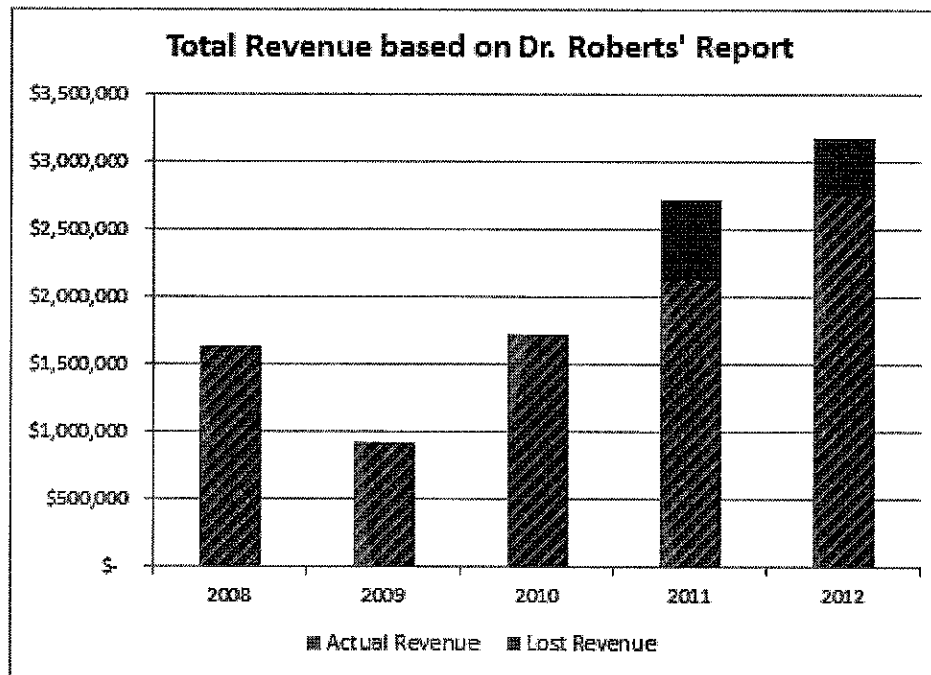
466 In the second method used to account for Business Risk inherent within a projection, a
467 "discount rate" is applied to the projections via the same standard mathematical formula
468 described above regarding the Time Value of Money. Most often, the risk free rate of interest
469 described above is increased by a risk premium that accounts for Business Risks. Then the
470 projections are reduced for Business Risk and the Time Value of Money at the same time by
471 applying the mathematical formula referred to in the above. Again, Dr. Roberts did not account
472 for Business Risks in this manner.

473 In sum, Dr. Roberts has not performed his calculations in the conventional manner that is used
474 to account for the inherent uncertainties of projecting profits. Dr. Roberts has also not
475 accounted for the Time Value of Money in preparing his loss estimate. These errors have
476 caused Dr. Roberts to overstate damages with respect to his calculation of the alleged lost
477 profits.

V. CONCLUSION

478 I tested Dr. Roberts's calculations by comparing the Lost Revenues by Sale Year to the Plaintiffs'
479 historical operating results. This test effectively recreates the financial statements that would
480 have presumably been generated by the Plaintiff, if it had not lost any Revenues. In this case,
481 the profits that the Plaintiffs' allege would have been generated in 2011 through 2013 only
482 include lost Revenues. The following is a graphical depiction of the Plaintiffs' historical revenues
483 compared to the alleged lost revenues during the damage period (See Schedule 9 for more
484 detail):

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485

486 The above analysis indicates that Plaintiffs' allegation of Lost Revenue is not reasonable
 487 compared to its own historical results. This is not surprising since Dr. Roberts's calculations are
 488 based on a variety of assumptions that are contrary to the accounting evidence, contrary to the
 489 normal conventions used by financial experts, and without the typical support normally
 490 expected for such claims, and without the completion of many steps normally performed by
 491 damage experts in determining lost profits with a reasonable degree of certainty.

492 Furthermore, the data illustrates the Plaintiffs generated an amount of revenue that is very
 493 close to what is expected based on historical numbers of minks and reflecting the then market
 494 price for mink. In other words, the accounting evidence indicates that the Plaintiffs' have not
 495 suffered an economic harm from the Alleged Wrongful Conduct.

496 My opinions and calculations included in this report are based on information available as of the
 497 date of the report. I may amend, supplement, update, or modify this report at a later date if
 498 additional relevant information becomes available. This report has been prepared solely in
 499 connection with the litigation referenced herein and is intended for no other use.

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500 **VI. COMPENSATION**

501 Lone Peak Valuation is presently being compensated for my work in the matter at my current
502 billing rate of \$375 per hour. Other Lone Peak consultants are assisting me in this matter and
503 are being compensated at rates less than \$375 per hour. No part of my compensation depends
504 on the outcome of this litigation.

Respectfully Submitted,



Rick Hoffman – CPA/ ABV
Principal/Shareholder

LonePeak Valuation Group
Jonsson vs. National Feeds
Documents Relied Upon

Schedule 1

Documents Relied Upon

- 1 Keith Jonsson et al. v National Feeds, Inc Complaint
- 2 Expert Report of Wade C. Roberts, Ph.D dated November 07, 2012.
- 3 Summary of Mink Inventory, Operating Expenses, and Pelt Income (2001 - 2010)
- 4 Jonsson Stats Letter
- 5 Plaintiff Mink Production Report Letter, June 14, 2011
- 6 Keith Jonsson Deposition & Exhibits
- 7 Patrick Fur Farm Quote
- 8 American Legend Cooperative: 3 Year Quantity Percent Reports
- 9 American Legend Cooperative: Sales Analysis Reports
- 10 2007 Income Tax Return of Keith Jonsson
- 11 Cedar Valley Fur Farm LLC Tax Returns: 2008 - 2010
- 12 Vaccination Report
- 13 Deposition of Michael Jonsson
- 14 American Legend Cooperative Stockholder Statement
- 15 Various mink inventory documents to/from Chris Mershon
- 16 Letters to Co-op Regarding Breeding Stock

LonePeak Valuation Group
Jonsson vs. National Feeds
Rick S. Hoffman, CV

Schedule 2

See Following Pages

RICK S. HOFFMAN, CPA/ABV

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Mr. Hoffman has over eighteen years of experience in public accounting and consulting. He has been primarily involved with calculating damages related to commercial Litigation and has spent considerable time performing business valuations inside and outside of the litigation arena, with particular emphasis in the valuation of intellectual property. Mr. Hoffman is a Certified Public Accountant, Accredited in Business Valuation and has hundreds of hours of additional training in the areas of valuation, litigation, and lost profit calculations. He has taught on the subject of damages and has testified in State Court, Federal Court, Arbitrations, and acted as Special Master.

EMPLOYMENT HISTORY

April 2008 to Present	Co-Founding Shareholder and Principal Lone Peak Valuation Group Salt Lake City, Utah Litigation/Consulting Services
December 2000 to April 2008	Managing Director LECG, LLC Salt Lake City, Utah Litigation/Consulting Services
September 1992 to November 2000	Director PricewaterhouseCoopers LLP Salt Lake City, Utah Litigation/Consulting Services
September 1989 to August 1992	Sr. Associate Arthur Andersen & CO

EDUCATION & CREDENTIALS

Certified Public Accountant, Accredited in Business Valuations
Adjunct Professor – University of Utah (2002)
Co-Instructor NACVA – Valuation of Intellectual Property Damages
Southwest Texas State University, San Marcos, Texas
BA Accounting, 1989 (Magna Cum Laude)

PROFESSIONAL MEMBERSHIPS

American Institute of Certified Public Accountants
American Society of Appraisers (1999-2000)
Association of Investment Management Research (1998-2000)
Games Development Association – Patent Committee (2000-2001)
National Association of Certified Valuation Analysts (1999 - 2008)
National Litigation Certification Board – NACVA (2001-2001)
National Litigation Review Board (2005-2006)
Board Member of NACVA (2005-2006)
Management Advisory Council of LECG, LLC 2005
Editorial Advisory Board for National Litigation Consultants 2005-2006
Board Member of Journal of Business Valuation (2006-2010)
Board Member of Utah Clean Energy Association (2011 – Present)

SPEECHES, ARTICLES, AND BOOKS

“Earn Outs – Snake Oil or Cure-All?”, Speech Presented at the Utah State Bar Convention, Sun Valley, Utah, July 2012

“Valuing Multi-Level Marketing Companies”, Grant Thornton’s Direct Sellers Conference, October 2011

“Lost Profits in Trademark and Copyright Cases”, a chapter in *“The Comprehensive Guide to Lost Profits Damages”*, Business Valuation Resources, LLC June 2009

“Financial Discovery”, Utah Bar Association, August 2006

“Improving the Rigor of Your Market Approach”, National Litigation Consultants Review, Feature Article, February 2006

"Keeping Track of Your Experience", National Litigation Consultants Review, Feature Article, November 2005

"Valuing Intellectual Property and Other Intangible Assets", Business Valuation Resources, LLC, Telephone Conference, June 2005

"Value of Intellectual Property Damage Calculation", National Association of Certified Valuation Analysts, Las Vegas, Nevada, November 2004

"Intellectual Property Damages: Guideline and Analysis, 2004 Supplement", Wiley Publications, November 2004

"Valuation in Context of a Merger", Kennesaw State University, February 2004

"Valuing Start Up Technology Companies", National Internal Revenue Service, September 2003

"Corporate Analysis of Intellectual Property", Executive MBA Program, University of Utah, June 2003

"Value of Intellectual Property", National Association of Certified Valuation Analysts, New York, New York, June 2003

"Intellectual Property Damages: Guidelines and Analysis", Wiley Publications, November 2002

"Valuing Patents that are Not Generating Sales", The RMA Journal, May 2002

"An Introduction to Valuing Intellectual Property", The RMA Journal, May 2002

"How Intellectual Property Influences Your Existing Loans", The RMA Journal, April 2002

"Intellectual Property Valuation", American Institute of Certified Public Accountants, National Valuation Conference, December 2001

"Calculating Intellectual Property Damages", National Association of Certified Valuation Analysts, Chicago, Illinois, December 2001

"Calculating Intellectual Property Damages", National Association of Certified Valuation Analysts, Washington D.C., November 2001

"Reasonable Royalty Calculation", Valuation Examiner, Summer 2001

"Calculating Damages in Intellectual Property Cases", National Association of Certified Valuation Analysts, November 2001

"Intellectual Property Section", Utah State Bar, September 2000

"Calculating Intellectual Property Damages", National Association of Certified Valuation Analysts, Dallas, Texas, May 2000

"Valuing Intellectual Property", Guest Lecturer, University of Utah, February 2000

"Patent Damages", Utah Bar Association, April 1999

"Performing Business Valuations", Guest Lecturer, University of Utah, October 1998 & February 1999

"Maximizing the Value of Intellectual Property", Law and Economic Society, January 1999

"Business Valuations", Utah Bar Association, July 1998

"Calculating Personal Injury Damages", Young Lawyers Association, November 1997

"Calculating Personal Injury Damages", Utah Bar Association, July 1997

PRIOR TESTIMONY EXPERIENCE

Clearone Communication, Inc. vs. Andrew Chaing and WideBand Solutions, Inc.
Trial
Federal Court of Utah

Wardell vs. Clyde
Deposition
3rd District Court of Utah

Praise Kutchera vs. USANA
Arbitration
Salt Lake City, Utah

1-800-Contacts, Inc. vs. Lens.Com
Deposition
Federal Court of Utah

**East Jordan School District vs.
West Jordan School District**
Arbitration

Salt Lake City, Utah
**Tim Schmanski and Maria Schmanski
vs. Nielson, Desert Irrigation Company,
and Millard County**
Deposition and Trial
4th District Court of Utah

Kim K. Marquardt vs. Robert S. Marquardt
Trial
3rd District Court of Utah

**Basic Research Testimony Regarding
Nutritional Products**
Testimony
District of Columbia

**Sai Food Sensations vs. TCBY
Systems, LLC**
Deposition
State of New York

**Patricia Dahl vs. James C. Pinegree, M.D.
And Utah Orthopedic Associates, P.C.**
Deposition
3rd District Court of Utah

**Robert Stillwell, Futurelink Corp., SDP
Electronics, Inc., Electronic Marketing
Corporation vs. Radioshack Corporation**
Deposition
Southern District of California

**Donald and Tamaron Cole vs. Lynn
Hines and Swift Transportation Co. Inc.**
Deposition

3rd District Court of Utah
**Turner Gas Company vs. Mark A.
Harris and Kamps Company**
Deposition
3rd District Court of Utah

Ipalani Lewis
Deposition
3rd District Court of Utah

**Nagraj Narasimhan, Total Renal Care,
Inc. and Gate City Dialysis Center vs.
vs. Rahim and Kidney Institute, LLP**
Deposition
District of Hawai'i

**Liberty Dialysis, Hawai'i LLC and St.
Francis Medical Center vs. Fresenius
Medical Holding and Bio-Medical
Application of California**
Deposition
District of Hawai'i

**ASC Utah, Inc., d/b/a The Canyons vs.
Wolf Mountain Resorts, L.C.**
Deposition
3rd District Court of Utah

**Hansen Beverage Company, d/b/a
Monster Beverage Company vs.
Cytosport, Inc.**
Deposition
Central District of California

Mark Haug vs. La Caille Restaurant Corporation, et al.

Trial

3rd District Court of Utah

Unishippers Global Logistics, LLC vs. DHL Express (USA), Inc.

Deposition

District Court of Utah, Central Division

Sara Lee Corporation vs. Sycamore Family Bakery, Inc., and Leland Sycamore

Deposition

District Court of Utah, Central Division

Quality Jeep Chrysler, Inc., n/k/a Quality Automotive Sales and Service, Inc. vs. Chrysler Group, LLC

Arbitration

Salt Lake City, Utah

Cutrubus Motors, Inc., Rocky Mountain Chrysler Jeep vs. Chrysler Group, LLC

Arbitration

Salt Lake City, Utah

B. Scott Berry and Lind Berry vs. Davis Hospital and Medical Center, L.P.

Arbitration

Salt Lake City, Utah

Shari J. Jackson and Michael L. Jackson vs. Glen R. Fuller, M.D.

Deposition

3rd District Court of Utah

Samuel Harrison and Ashley Harrison vs. CNL Income Properties, Inc.

Deposition

3rd District Court of Utah

Kevin R. Griffith vs. Douglas Deny, M.D.

Deposition

3rd District Court of Utah

Connor Sport Court International, Inc. vs. Snap Court, LLC d/b/a Snap Sports Company

Deposition

3rd District Court of Utah

Zulema McLean and the Estate of Christopher Lee McLain vs. Tooele Hospital Corporation, d/b/a Mountain West Medical Center

Deposition

3rd District Court of Utah

First Line Security Bankruptcy Hearing

Trial

Federal Court of Utah

Unishippers Global Logistics, LLC vs. DHL Express (USA), Inc.

Deposition

3rd District Court of Utah

Eleutian Technology, LLC vs. Pearson Education, Inc., and NCS Pearson, Inc.

Arbitration

Salt Lake City, Utah

**USS Logistics, LLC, et al. vs. DHL
Express (USA), Inc.**
Deposition and Trial
Federal Court of Utah

**Premier Technology, Inc. vs. Chad
Orr, et al.**
Deposition
3rd District Court of Utah

**Fatu Matagi and Shellise Matagi vs.
PacifiCorp d/b/a Rocky Mountain Power**
Deposition
3rd District Court of Utah

**Tri-Valley Distributing vs. Western
Life Assurance Company**
Deposition
3rd District Court of Utah

American Ski vs. Wolf Mountain
Deposition and Trial
Federal Court of Utah

**Tahitian Noni International, Inc. vs.
Robert L. Dean, Jr., and Top Gun
International**
Trial
Federal Court of Utah

**ASC Utah, Inc. d/b/a The Canyons vs.
Wolf Mountain Resorts, L.C.**
Trial
3rd District Court of Utah

Holly L. Johnston
Deposition
Utah State Court

**Daniel Updike vs. Yamaha Motor
Corporation, U.S.A., et al.**
Deposition
Utah State Court

Mud Buddy, LLC vs. Gator Tail, LLC
Deposition
3rd District Court of Utah

**Zip Ship, Inc. vs. Unishippers Global
Logistics, LLC**
Trial
3rd District Court of Utah

**Sammy Boutot vs. Kevin D. Hiatt and
Flint Energy**
Deposition
3rd District Court of Utah

Debbie Herrera vs. Maria Oneida, M.D.
Deposition
3rd District Court of Utah

**Glen Jensen and Itsumo Family
Investment Co., LLC vs. Agel
Enterprises LLC and James Savas**
Deposition
4th District Court of Utah

**Gulf Coast Shippers, LP, et al vs. DHL
Express (USA), Inc.**
Deposition and Trial
Federal Court of Utah

**Glen Jensen and Itsumo Family
Investment Co., LLC vs. Agel
Enterprises LLC and James Savas**
Trial
4th District Court of Utah

**Brigham Young University and Dr.
Daniel L. Simmons vs. Pfizer, Inc. G.D.
Searle and Company, Monsanto Company,
And Pharmacia Corporation**
Deposition
3rd District Court of Utah

**David Day and Shanna Day vs. Brooke
Horan and Justin Williams**
Deposition
3rd District Court of Utah

**Kristy Szeles and Rick Szeles vs. The
Kroger Company**
Deposition
3rd District Court of Utah

**Education Opportunities in America,
Inc. vs. Stevens-Henager College**
Deposition and Trial
3rd District Court of Utah

**Legacy Resources, Inc. vs. Liberty Pioneer
Energy Source, Inc.**
Testimony
Salt Lake City, Utah

**Arla Jean Cochran and Loren Cochran
vs. Intermountain Health Care, a Utah
Corporation and Scott Smith, M.D.**
Trial
5th District Court of Utah

**Thomas Zenger vs. Javier Becerra-Macias
and Dynatec Corporation**
Deposition
Salt Lake City, Utah

**Patricia Dahl vs. James C. Pingree,
M.D., and Utah Orthopedic Associates**
Arbitration
3rd District Court of Utah

Suzanne Caruso vs. Viridian Network, LLC
Arbitration
New York, New York

Roy Santo vs. Lithonia Lighting
Deposition
Salt Lake City, Utah

Verlyn Linford vs. Tri City Medical Clinic, P.C.
Deposition
Salt Lake City, Utah

**Cindy Schaugaard vs. State Farm
Insurance and Lee Ann Wight**
Trial
3rd District Court of Utah

Sara Lee Corporation vs. Sycamore Family Bakery, Inc. and Leland Sycamore
Trial
Federal Court of Utah

iFreedom Direct Corporation vs. First Tennessee Bank National Association
Deposition
Salt Lake City, Utah

Alexis Flores and Jennifer Flores vs. University of Utah Health Sciences Center
Deposition
Salt Lake City, Utah

Stone Flood and Fire Restoration, Inc. vs. Safeco Insurance Company of America
Trial
Federal Court, Utah

Debrah Orr Watts and Todd Watts vs. University of Utah Hospital, et al.
Deposition
Idaho

MP Nexlevel, LLC vs. Codale Electric Supply, Inc., et al.
Deposition
Salt Lake City, Utah

Cytosport, Inc. vs. Vital Pharmaceuticals, Inc.
Deposition
Irvine, California

Karen Christoffersen vs. United Parcel Service, Inc.
Deposition
United States District Court, District of Utah, Central Division

Ifreedom Direct Corporation vs. First Tennessee Bank National Association
Trial
3rd District Court of Utah

Hornady Manufacturing Company vs. Double Tap Ammunition, Inc.
Deposition
United States District Court of Utah

Wendy McDaniel vs. Marc C. Bingham
Deposition
3rd District Court of Utah

Lonnie Jill Wootten and Salih Wooten vs. Anthony R. Butler
Deposition
United States District Court for the Northern District of Alabama Southern Division

USS Logistics, LLC, et al. vs. DHL Express (USA), Inc.
Deposition
Supreme Court of the State of New York
County of New York

Verilyn Linford vs. Tri City Medical Clinic, P.C.
Trial
Fourth Judicial District Court of Utah

LonePeak Valuation Group
Jonsson vs. National Feeds

Analysis of 2011 - 2013 Expected Results based on Historical Operating Results

Schedule 3

Expected Results Assuming Average Historical Kits and Market Prices

Year	Quantity			Market Prices		Actual/Expected		
	Black Pelt Sales	Mahogany Pelt Sales	Total Pelt Sales	Average Black Pelt Price	Average Mahogany Pelt Price	Total Sales	Actual Sales	Estimated Lost Sales
2008	11,618	17,598	29,216	\$ 58.05	\$ 54.13	\$ 1,627,051		
2009	9,994	14,349	24,343	\$ 40.16	\$ 37.82	\$ 944,068		
2010	11,787	18,020	29,807	\$ 59.04	\$ 57.76	\$ 1,736,724		
2011	11,133	16,656	27,789	\$ 74.62	\$ 76.95	\$ 2,112,325	\$ 2,133,968	\$ (21,643)
2012	11,133	16,656	27,789	\$ 85.02	\$ 86.51	\$ 2,387,494	\$ 2,754,476	\$ (366,981)
2013	11,133	16,656	27,789	\$ 98.66	\$ 105.08	\$ 2,848,559		

No Loss

Expected Results Assuming Highest Historical Volume and Market Prices

Year	Quantity			Market Prices		Actual/Expected		
	Black Pelt Sales	Mahogany Pelt Sales	Total Pelt Sales	Average Black Pelt Price	Average Mahogany Pelt Price	Total Sales	Actual Sales	Alleged Lost Sales
2008	11,618	17,598	29,216	\$ 58.05	\$ 54.13	\$ 1,627,051	\$ -	\$ -
2009	9,994	14,349	24,343	\$ 40.16	\$ 37.82	\$ 944,068	\$ -	\$ -
2010	11,787	18,020	29,807	\$ 59.04	\$ 57.76	\$ 1,736,724	\$ -	\$ -
2011	11,787	18,020	29,807	\$ 74.62	\$ 76.95	\$ 2,266,106	\$ 2,133,968	\$ 132,138
2012	11,787	18,020	29,807	\$ 85.02	\$ 86.51	\$ 2,561,132	\$ 2,754,476	\$ (193,344)
2013	11,787	18,020	29,807	\$ 98.66	\$ 105.08	\$ 3,056,447		

No Loss

LonePeak Valuation Group
Jonsson vs. National Feeds

Plaintiffs Actual Results - Quantity

Schedule 4

Activity Recored in Year of Pelt Sales (Sales Year)		2008	2009	2010	2011	2012
		Pre-Damage	Pre-Damage	Pre-Damage	Damage	Damage
Female Breeder Mink:						
Black Females	(a)	3,750	3,780	3,700	2,100	Note <1> 4,102
Mahogany Females	(b)	3,750	3,900	3,900	5,800	4,630
Total Females	(c)	7,500	7,680	7,600	7,900	8,732
Breeders Purchased for Following Year:						
Black Breeders Purchased	(d)	0	0	0	975	0
Mahogany Breeders Purchased	(e)	0	0	0	0	380
Must Have Been Withheld from Kits or Pelts Sold from Breeders						
Black Females	(f)	30	(80)	(1,600)	1,027	Note <3> (716)
Mahogany Females	(g)	150	0	1,900	(1,170)	781
Total Withheld from Kits or Pelts Sold from Breeders	(h)	180	(80)	300	(143)	65
Change in Female Breeders						
Black Females	(d) + (f) = (i)	30	(80)	(1,600)	2,002	(716)
Mahogany Females	(e) + (g) = (j)	150	0	1,900	(1,170)	1,161
Total Change in Female Breeders		180	(80)	300	832	445
Pelts Sold:						
Actual Black Pelts Sold	(k)	11,618	9,994	11,787	7,766	12,245
Actual Mahogany Pelts Sold	(l)	17,598	14,349	18,020	21,016	19,076
Total Pelts Sold	(m)	29,216	24,343	29,807	28,782	31,321
Growth			-16.7%	22.4%	-3.4%	8.8%
Reproduction Rates						
Black	((f) + (k))/((a)	3.11	2.62	2.75	4.19	2.81
Mahogany	((g) + (l))/((b)	4.73	3.68	5.11	3.42	4.29
Weighted Average Rate	((m) + (m1))/((c)	3.92	3.16	3.96	3.63	3.59

Notes:

- <1> Per Dr. Roberts' Report pg 22, the Jonssons started the 2012 season with 4102 Black female breeders which included 975 that were purchased, 4630 Mahogany female breeders, and 8732 total female breeders.
- <2> Dr. Roberts' Report pages 22 and 24 state that the Jonssons purchased 975 black female mink and 380 mahogany female mink. Dr. Roberts states in the text of his report that the 380 mink purchased in 2012 were Mahogany females (page 24), but Chart 10 (page 26) indicates that these were Black females.
- <3> PL000256 shows the Jonssons starting the 2011 season with 2100 Black female breeder mink. Per Dr. Roberts' Report page 22, the Jonssons started the 2012 season with 4102 Black female breeder mink which includes 975 Black female breeder mink purchased. Therefore, 1027 Black female breeder mink must have been withheld from the kits produced in 2011.

LonePeak Valuation Group
Jonsson vs. National Feeds

Plaintiffs Actual Pelt Sales - Price/Sales

Schedule 4.1

Activity Recorded in Year of Pelt Sales (Sales Year)		2008		2009		2010		2011		2012	
		Pre-Damage		Pre-Damage		Pre-Damage		Damage		Damage	
<u>Source</u>											
<u>Price</u>											
Avg Black Price	(a) Schedule 7	61.19	39.10	60.22	76.96	89.88					
Avg Mahogany Price	(b) Schedule 7	53.10	37.51	56.82	73.10	86.70					
Wt Avg Price	(c) Schedule 7	56.31	38.16	58.16	74.14	87.94					
Growth			-32.2%	52.4%	27.5%	18.6%					
Pelts Sold:											
Actual Black Pelts Sold	(d) Schedule 7	11,618	9,994	11,787	7,766	12,245					
Actual Mahogany Pelts Sold	(e) Schedule 7	17,598	14,349	18,020	21,016	19,076					
Total Actual Pelts Sold	(f) Schedule 7	29,216	24,343	29,807	28,782	31,321					
Growth			-16.7%	22.4%	-3.4%	8.8%					
Total Pelt Income:											
Black	(a) * (d)	\$ 710,856	\$ 390,726	\$ 709,849	\$ 597,702	\$ 1,100,619					
Mahogany	(b) * (e)	\$ 934,394	\$ 538,268	\$ 1,023,861	\$ 1,536,266	\$ 1,653,857					
Pelt Gross Income	(c) * (f) Schedule 7	\$ 1,645,251	\$ 928,994	\$ 1,733,710	\$ 2,133,968	\$ 2,754,476					

LonePeak Valuation Group
Jonsson vs. National Feeds

Plaintiffs Actual Results with Alleged Damages Added - Quantity

Schedule 5

			2008	2009	2010	2011	2012	2013	
			Pre-Damage	Pre-Damage	Pre-Damage	Damage	Damage	Damage	
Source									
Female Breeder Mink:									Note <1>
Black Females	(a)	PL000256	3,750	3,780	3,700	2,190	4,102	3,386	
Mahogany Females	(b)	PL000256	3,750	3,900	3,900	5,800	4,630	5,791	
Total Females	(c)	PL000256	7,500	7,680	7,600	7,990	8,732	9,177	
Breeders Purchased for the Following Year:									
Black Breeders Purchased	(d)	Note <4>	0	0	0	975	0		
Mahogany Breeders Purchased	(e)	Note <4>	0	0	0	0	380		
Must Have Been Withheld from Kits or Pelts Sold from Breeders									
Black Females	(f)		30	(80)	(1,510)	0	0		
Mahogany Females	(g)		150	0	1,900	0	0		
Total Withheld from Kits or Pelts Sold from Breeders	(h)		180	(80)	390	-	-		
Change in Female Breeders									
Black Females	(i)		30	(80)	(1,510)	1,912	(716)		
Mahogany Females	(j)		150	0	1,900	(1,170)	1,161		
Total Change in Female Breeders	(k)		180	(80)	390	742	445		
UNRECONCILED DIFFERENCE									Note <6>
Black Females	(l) - (f) - (d) = (l)		0	0	0	937	(716)		
Mahogany Females	(j) - (g) - (e) = (m)		0	0	0	(1,170)	781		
Pelts Sold:									
Actual Black Pelts Sold	(n)	Schedule 7	11,618	9,994	11,787	7,766	12,245	12,630	Note <3>
Actual Mahogany Pelts Sold	(o)	Schedule 7	17,598	14,349	18,020	21,016	19,076	33,661	Note <3>
Total Pelts Sold	(p)	Schedule 7	29,216	24,343	29,807	28,782	31,321	46,291	
Lost Pelts - Black Pelts Not Taken to Market	(q)	Note <2>				5,552	4,496	3,711	
Lost Pelts - Mahogany Pelts Not Taken to Market	(r)	Note <2>				2,277	560	558	
Total Pelts Per Dr. Roberts	(p) + (q) + (r) = (s)		29,216	24,343	29,807	36,611	36,377	50,560	
Growth				-16.7%	22.4%	22.8%	-0.6%	39.0%	
Reproduction Rates									Note <5>
Black	((f) + (n) + (q))/((a)		3.11	2.62	2.78	6.08	4.08	4.83	
Mahogany	((g) + (o) + (r))/((b)		4.73	3.68	5.11	4.02	4.24	5.91	
Weighted Average Rate	(s)/(c)		3.92	3.16	3.97	4.58	4.17	5.51	

Notes:

- <1> The 2013 figures are based on assumptions taken from Dr. Roberts' Report.
- <2> Lost Pelts come from Dr. Roberts' Report Chart 13 and 17. Due to the timing of the Plaintiffs' breeding and harvesting cycles, Dr. Roberts' 2010 and 2011 Pelts Taken to Market would have been sold in 2011.
- <3> 2013 Actual Pelts Sold have been calculated using Dr. Roberts' reproduction ratios of 4.826 and 5.909 for black and mahogany mink, respectively, less the number of Lost Pelts Dr. Roberts calculated in his analysis.
- <4> Dr. Roberts' Report pages 22 and 24 state that the Jonssons purchased 975 black female mink and 380 mahogany female mink. Dr. Roberts states in the text of his report that the 380 mink purchased in 2012 were Mahogany females (page 24), but Chart 10 (page 26) indicates that these were Black females.
- <5> These amounts don't include any pelts sold directly to another mink rancher, mink sold live, or other sales not reported through the ALC sales records. Including those sales would further demonstrate the unreasonableness of these amounts.
- <6> A positive amount indicates mink appear in the Breeder herd for the following year without basis; A negative amount indicates mink disappear from the Breeder without basis.

LonePeak Valuation Group
Jonsson vs. National Feeds

Plaintiffs Actual Results with Alleged Damages Added - Quantity

Schedule 5.1

		2008	2009	2010	2011	2012	2013	
		Pre-Damage	Pre-Damage	Pre-Damage	Damage	Damage	Damage	
Source								
Female Breeder Mink:								
Black Females	(a) PL000256	3,750	3,780	3,700	2,190	4,102	Note <1> 3,386	
Mahogany Females	(b) PL000256	3,750	3,900	3,900	5,800	4,630	5,791	
Total Females	(c) PL000256	7,500	7,680	7,600	7,990	8,732	9,177	
Breeders Purchased for the Following Year:								
Black Breeders Purchased	(d) Note <4>	0	0	0	975	0		
Mahogany Breeders Purchased	(e) Note <4>	0	0	0	0	380		
Must Have Been Withheld from Kits or Pelts Sold from Breeders								
Black Females	(f)	30	(80)	(1,510)	937	(716)		
Mahogany Females	(g)	150	0	1,900	(1,170)	781		
Total Withheld from Kits or Pelts Sold from Breeders	(h)	180	(80)	390	(233)	65		
Change In Female Breeders								
Black Females	(i)	30	(80)	(1,510)	1,912	(716)		
Mahogany Females	(j)	150	0	1,900	(1,170)	1,161		
Total Change In Female Breeders	(k)	180	(80)	390	742	445		
UNRECONCILED DIFFERENCE								
Black Females	(l) - (i) - (d) = (l)	0	0	0	0	0		
Mahogany Females	(j) - (g) - (e) = (m)	0	0	0	0	0		
Pelts Sold:								
Actual Black Pelts Sold	(n) Schedule 7	11,618	9,994	11,787	7,766	12,245	12,630	Note <3>
Actual Mahogany Pelts Sold	(o) Schedule 7	17,598	14,349	18,020	21,016	19,076	33,661	Note <3>
Total Pelts Sold	(p)	29,216	24,343	29,807	28,782	31,321	46,291	
Lost Pelts - Black Pelts Not Taken to Market	(q) Note <2>				5,552	4,496	3,711	
Lost Pelts - Mahogany Pelts Not Taken to Market	(r) Note <2>				2,277	560	558	
Total Pelts Per Dr. Roberts	(p) + (q) + (r) = (s)	29,216	24,343	29,807	36,611	36,377	50,560	
Growth			-16.7%	22.4%	22.8%	-0.6%	39.0%	
Reproduction Rates								
Black	((f) + (n) + (q))/((a))	3.11	2.62	2.78	6.51	3.91	4.83	
Mahogany	((g) + (o) + (r))/((b))	4.73	3.68	5.11	3.81	4.41	5.91	
Weighted Average Rate	(s)/((c))	3.92	3.16	3.97	4.55	4.17	5.51	

Notes:

- <1> The 2013 figures are based on assumptions taken from Dr. Roberts' Report.
- <2> Lost Pelts come from Dr. Roberts' Report Chart 13 and 17. Due to the timing of the Plaintiffs' breeding and harvesting cycles, Dr. Roberts' 2010 and 2011 Pelts Taken to Market would have been sold in 2011.
- <3> 2013 Actual Pelts Sold have been calculated using Dr. Roberts' reproduction ratios of 4.826 and 5.909 for black and mahogany mink, respectively, less the number of Lost Pelts Dr. Roberts calculated in his analysis.
- <4> Dr. Roberts' Report pages 22 and 24 state that the Jonssons purchased 975 black female mink and 380 mahogany female mink. Dr. Roberts states in the text of his report that the 380 mink purchased in 2012 were Mahogany females (page 24), but Chart 10 (page 26) indicates that these were Black females.
- <5> These amounts don't include any pelts sold directly to another mink rancher, mink sold live, or other sales not reported through the ALC sales records. Including those sales would further demonstrate the unreasonableness of these amounts.
- <6> A positive amount indicates mink appear in the Breeder herd for the following year without basis; A negative amount indicates mink disappear from the Breeder without basis.

LonePeak Valuation Group
Jonsson vs. National Feeds

Plaintiffs Actual Results with Alleged Damages Added - Price/Sales

Schedule 5.2

		2008	2009	2010	2011	2012	2013
	Source	Pre-Damage	Pre-Damage	Pre-Damage	Damage	Damage	Damage
<u>Price</u>							Note <1>
Avg Black Price	Schedule 7	61.19	39.10	60.22	76.96	89.88	98.66
Avg Mahogany Price	Schedule 7	53.10	37.51	56.82	73.10	86.70	105.08
Wt Avg Price	Schedule 7	56.31	38.16	58.16	74.14	87.94	103.33
Growth			-32.2%	52.4%	27.5%	18.6%	
Pelts Sold:							
Actual Black Pelts Sold	Schedule 7	11,618	9,994	11,787	7,766	12,245	12,630
Actual Mahogany Pelts Sold	Schedule 7	17,598	14,349	18,020	21,016	19,076	33,661
Total Actual Pelts Sold	Schedule 7	29,216	24,343	29,807	28,782	31,321	46,291
Lost Pelts - Black Pelts Not Taken to Market	Note <2>				5,552	4,496	3,711
Lost Pelts - Mahogany Pelts Not Taken to Market	Note <2>				2,277	560	558
Total "But For" Pelts Sold		29,216	24,343	29,807	36,611	36,377	50,560
Growth			-16.7%	22.4%	22.8%	-0.6%	39.0%
<u>Income</u>							
Pelt Gross Income	Schedule 7	\$ 1,645,251	\$ 928,994	\$ 1,733,710	\$ 2,133,968	\$ 2,754,476	\$ 4,783,159
Lost Sales - Pelts Taken to Market (Low Quality)	Note <2>				\$ 62,627		
Lost Sales - Pelts Not Taken to Market (Morality Rate/Death)	Note <2>				\$ 231,588		
Lost Sales - Pelts Not Taken to Market (Low Reproduction)	Note <2>				\$ 293,658	\$ 430,756	\$ 424,769
Total "But For" Pelt Gross Income		\$ 1,645,251	\$ 928,994	\$ 1,733,710	\$ 2,721,841	\$ 3,185,232	\$ 5,207,928

Breeder Replacement Cost

Breeder Mink Lost		1,560	300	975	380
Replacement Cost		\$ 250	\$ 250	\$ 500	\$ 500
Breeder Mink Purchased/Lost		\$ 390,000	\$ 75,000	\$ 487,500	\$ 190,000

Notes:

- <1> The 2013 figures are based on assumptions taken from Dr. Roberts' Report.
- <2> Numbers come from Dr. Roberts' Report Chart 13, 17, & 19. Due to the timing of the Plaintiffs' breeding and harvesting cycles, Dr. Roberts' 2010 and 2011 Pelts Taken to Market have been combined in 2011, which is when those pelts would have been sold.
- <3> From Chart 18 in Dr. Roberts Report, page 46.

Lone Peak Valuation Group
Jonsson vs. National Feeds

Testing of Dr. Roberts' Assumptions **Schedule 6**

	Source	Historical			
		2008	2009	2010	
		Pre-Damage	Pre-Damage	Pre-Damage	
Black Females					
(a)	Schedule 4	3,750	3,780	3,700	
<u>Alleged Average Reproduction Ratio</u>	Note <1>	4,826	4,826	4,826	
Implied Kit Production	(b)	18,098	18,242	17,856	
Mahogany Females					
(c)	Schedule 4	3,750	3,900	3,900	
<u>Alleged Reproduction Ratio</u>	Note <1>	5,909	5,909	5,909	
Implied Kit Production	(d)	22,159	23,045	23,045	
Total Implied Kit Production	(b) + (d) = (e)	40,256	41,287	40,901	
Total Available for Pelting	(a) + (c) + (e) = (f)	47,756	48,967	48,501	
Female Breeder Held for Next Years Breeding	(g)	(7,680)	(7,600)	(7,900)	
Male Breeder Held for Next Years Breeding	(h)	(586)	(60)	(124)	
Total Pelts for Sale	(f) + (g) + (h)	39,490	41,307	40,477	
Average Sales Price per Pelt		\$ 56.31	\$ 38.16	\$ 58.16	
Sales if Dr. Roberts' Assumptions Were True		\$ 2,223,828	\$ 1,576,400	\$ 2,354,343	
Actual Sales		\$ 1,645,251	\$ 928,994	\$ 1,733,710	
Error Caused by Dr. Roberts' Assumptions		\$ 578,577	\$ 647,406	\$ 620,633	

Overstatement - as %

35%

70%

36%

Notes:

<1> Reproduction Rates of 4.826 and 5.909 are used by Dr. Roberts. See Dr. Roberts' Report pg 20.

LonePeak Valuation Group
Jonsson vs. National Feeds
Recalculation of Historical Sales from ALC Documents

Schedule 7
(1 of 2)

VARIETY	JONSSON MINK PRODUCTION								
	2008			2009			2010		
	QTY	Avg	Revenue	QTY	Avg	Revenue	QTY	Avg	Revenue
FEMALE Breeder Std Rch	0	\$0.00	\$0	59	\$21.78	\$1,285	0	\$0.00	\$0
FEMALE Breeder Mahogany	0	\$0.00	\$0	78	\$22.31	\$1,740	0	\$0.00	\$0
MALE Section III Dark	59	\$18.98	\$1,120	7	\$24.71	\$173	200	\$30.81	\$6,162
MALE Section III Mahogany	84	\$13.11	\$1,101	318	\$18.80	\$5,978	202	\$23.02	\$4,650
MALE Section III Dark Brown	0	\$0.00	\$0	1	\$7.00	\$7	0	\$0.00	\$0
FEMALE Section III Dark	98	\$14.42	\$1,413	88	\$16.36	\$1,440	326	\$14.95	\$4,874
FEMALE Section III Mahogany	75	\$13.11	\$983	486	\$12.59	\$6,119	196	\$11.30	\$2,215
FEMALE Section III Dk Brown	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
FEMALE Section III Silverblue	0	\$0.00	\$0	0	\$0.00	\$0	1	\$14.00	\$14
FEMALE Section III Misc Mink	0	\$0.00	\$0	0	\$1.00	\$0	1	\$4.00	\$4
MALE Blackglama	2824	\$96.75	\$273,222	2468	\$49.76	\$122,808	2308	\$81.53	\$188,171
MALE Glma	1013	\$88.47	\$89,620	962	\$45.63	\$43,896	1110	\$76.30	\$84,693
MALE Std Rch Dark	687	\$81.63	\$56,080	507	\$43.68	\$22,146	549	\$74.02	\$40,637
FEMALE Blackglama	1786	\$57.75	\$103,142	2353	\$36.21	\$85,202	2076	\$62.74	\$130,248
FEMALE Glma	1357	\$46.62	\$63,263	760	\$29.98	\$22,785	1877	\$51.67	\$96,985
FEMALE Std Rch Dark	767	\$44.92	\$34,454	542	\$28.01	\$15,181	994	\$49.51	\$49,213
MALE Am Legend Mahogany	3777	\$82.62	\$312,056	2697	\$48.42	\$130,589	3450	\$71.81	\$247,745
MALE Mahogany	1757	\$68.29	\$119,986	1895	\$42.61	\$80,746	2062	\$66.64	\$137,412
MALE Unlab Mahogany	1462	\$68.60	\$100,293	1176	\$45.64	\$53,673	1718	\$68.56	\$117,786
FEMALE Am Legend Mahogany	3737	\$50.98	\$190,512	2196	\$35.72	\$78,441	2562	\$52.20	\$133,736
FEMALE Mahogany	1556	\$42.59	\$66,270	1801	\$30.61	\$55,129	1958	\$48.83	\$95,609
FEMALE Unlab Mahogany	1338	\$43.03	\$57,574	1070	\$30.13	\$32,239	1667	\$47.35	\$78,932
MALE Blackglama.	43	\$0.00	\$0	29	\$50.69	\$1,470	47	\$69.60	\$3,271
MALE Breeder Std Rch	416	\$0.00	\$0	786	\$46.01	\$36,164	638	\$66.69	\$42,548
MALE Breeder Mahogany	1025	\$0.00	\$0	1247	\$46.08	\$57,462	1114	\$66.93	\$74,560
MALE Breeder Wild Type	4	\$0.00	\$0	3	\$33.00	\$99	0	\$0.00	\$0
MALE Breeder Silverblue	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
MALE Breeder Pastel	0	\$0.00	\$0	0	\$0.00	\$0	2	\$65.00	\$130
MALE Breeder Palomino	0	\$0.00	\$0	2	\$40.00	\$80	0	\$0.00	\$0
MALE Breeder White	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
MALE Breeder Sapphire	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
FEMALE Blackglama.	7	\$0.00	\$0	35	\$31.17	\$1,091	5	\$42.60	\$213
FEMALE Breeder Std Rch	25	\$0.00	\$0	352	\$27.29	\$9,606	62	\$39.53	\$2,451
FEMALE Breeder Mahogany	102	\$0.00	\$0	256	\$28.55	\$7,309	179	\$39.13	\$7,004
FEMALE Breeder Dark Brown	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
FEMALE Breeder Wild Type	0	\$0.00	\$0	0	\$0.00	\$0	2	\$27.00	\$54
MALE Section III Dark	627	\$53.83	\$33,751	373	\$35.66	\$13,301	314	\$51.45	\$16,155
MALE Section III Mahogany	758	\$42.28	\$32,048	458	\$32.93	\$15,082	1158	\$54.75	\$63,401
MALE Section III Dk Brown	6	\$39.50	\$237	12	\$19.33	\$232	0	\$0.00	\$0
MALE Section III Irls	0	\$0.00	\$0	0	\$0.00	\$0	1	\$10.00	\$10
MALE Section III Pastel	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
MALE Section III Silverblue	2	\$49.00	\$98	1	\$28.00	\$28	0	\$0.00	\$0
MALE Section III Misc Mink	0	\$0.00	\$0	6	\$2.00	\$12	18	\$4.00	\$72
FEMALE Section III Dark	1876	\$28.72	\$53,879	645	\$21.18	\$13,661	1255	\$34.99	\$43,912
FEMALE Section III Mahogany	1927	\$27.80	\$53,571	671	\$20.51	\$13,762	1754	\$34.67	\$60,811
FEMALE Section III Dk Brown	21	\$27.52	\$578	2	\$19.50	\$39	0	\$0.00	\$0
FEMALE Section III Pastel	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
FEMALE Section III Silverblue	0	\$0.00	\$0	1	\$20.00	\$20	1	\$31.00	\$31
FEMALE Section III Misc Mink	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
MALE AM Legend Dark Brown	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
MALE Dark Brown	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
MALE UNLAB Dark Brown	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
TOTAL	29,216		1,645,251	24,343		928,994	29,807		1,733,710
	QTY	Average	Weighted Avg.	QTY	Average	Weighted Avg.	QTY	Average	Weighted Avg.
Total Black	11,618	16.62	61.19	9,994	17.38	39.10	11,787	23.11	60.22
Total Mahogany	17,598	34.80	53.10	14,349	31.92	37.51	18,020	45.01	56.82

Note <1> This schedule does not agree with Dr. Roberts' summary of ALC statements due to minor differences between his schedules and actual source documents.

LonePeak Valuation Group
Jonsson vs. National Feeds
Recalculation of Historical Sales frc

Schedule 7
(2 of 2)

JONSSON MINK PRODUCTION						
VARIETY	2011			2012		
	QTY	Avg	Revenue	QTY	Avg	Revenue
FEMALE Breeder Std Rch	0	\$0.00	\$0	0	\$0.00	\$0
FEMALE Breeder Mahogany	0	\$0.00	\$0	0	\$0.00	\$0
MALE Section III Dark	43	\$36.56	\$1,572	54	\$66.69	\$3,601
MALE Section III Mahogany	90	\$54.62	\$4,916	121	\$63.14	\$7,640
MALE Section III Dark Brown	1	\$49.00	\$49	0	\$0.00	\$0
FEMALE Section III Dark	44	\$17.39	\$765	214	\$42.21	\$9,033
FEMALE Section III Mahogany	58	\$22.52	\$1,305	157	\$39.97	\$6,275
FEMALE Section III Dk Brown	0	\$0.00	\$0	1	\$42.00	\$42
FEMALE Section III Silverblue	0	\$0.00	\$0	0	\$0.00	\$0
FEMALE Section III Misc Mink	1	\$1.00	\$1	0	\$0.00	\$0
MALE Blackglama	1291	\$99.97	\$129,061	1237	\$124.72	\$154,279
MALE Glma	889	\$91.85	\$81,655	1768	\$112.87	\$199,554
MALE Std Rch Dark	711	\$91.47	\$65,035	1013	\$110.15	\$111,582
FEMALE Blackglama	1017	\$74.07	\$75,329	1530	\$92.42	\$141,403
FEMALE Glma	925	\$63.57	\$58,802	1974	\$72.50	\$143,115
FEMALE Std Rch Dark	705	\$57.91	\$40,827	1388	\$70.67	\$98,090
MALE Am Legend Mahogany	5641	\$86.42	\$487,495	3065	\$108.63	\$332,951
MALE Mahogany	1902	\$79.08	\$150,410	2707	\$102.23	\$276,797
MALE Unlab Mahogany	2331	\$82.50	\$192,308	2620	\$101.27	\$265,327
FEMALE Am Legend Mahogany	3647	\$63.15	\$230,308	3168	\$73.22	\$231,961
FEMALE Mahogany	1802	\$56.08	\$101,056	2243	\$70.16	\$157,369
FEMALE Unlab Mahogany	2219	\$57.95	\$128,591	1797	\$66.80	\$120,040
MALE Blackglama.	14	\$105.43	\$1,476	10	\$108.60	\$1,086
MALE Breeder Std Rch	500	\$96.71	\$48,355	769	\$93.94	\$72,240
MALE Breeder Mahogany	1085	\$94.19	\$102,196	1192	\$92.29	\$110,010
MALE Breeder Wild Type	0	\$0.00	\$0	0	\$0.00	\$0
MALE Breeder Silverblue	3	\$85.33	\$256	0	\$0.00	\$0
MALE Breeder Pastel	0	\$0.00	\$0	0	\$0.00	\$0
MALE Breeder Palomino	2	\$89.00	\$178	0	\$0.00	\$0
MALE Breeder White	2	\$75.50	\$151	1	\$90.00	\$90
MALE Breeder Sapphire	0	\$0.00	\$0	1	\$94.00	\$94
FEMALE Blackglama.	4	\$65.75	\$263	5	\$76.20	\$381
FEMALE Breeder Std Rch	43	\$58.49	\$2,515	111	\$58.71	\$6,517
FEMALE Breeder Mahogany	151	\$57.19	\$8,636	138	\$61.81	\$8,530
FEMALE Breeder Dark Brown	2	\$67.00	\$134	0	\$0.00	\$0
FEMALE Breeder Wild Type	0	\$0.00	\$0	0	\$0.00	\$0
MALE Section III Dark	606	\$79.97	\$48,462	869	\$90.23	\$78,410
MALE Section III Mahogany	951	\$74.97	\$71,296	1022	\$87.48	\$89,405
MALE Section III Dk Brown	6	\$76.50	\$459	26	\$88.96	\$2,313
MALE Section III Iris	0	\$0.00	\$0	0	\$0.00	\$0
MALE Section III Pastel	0	\$0.00	\$0	1	\$126.00	\$126
MALE Section III Silverblue	4	\$61.75	\$247	0	\$0.00	\$0
MALE Section III Misc Mink	0	\$0.00	\$0	0	\$0.00	\$0
FEMALE Section III Dark	921	\$44.38	\$40,874	1103	\$55.12	\$60,797
FEMALE Section III Mahogany	1139	\$50.70	\$57,747	846	\$56.28	\$47,613
FEMALE Section III Dk Brown	19	\$51.79	\$984	3	\$40.00	\$120
FEMALE Section III Pastel	1	\$49.00	\$49	0	\$0.00	\$0
FEMALE Section III Silverblue	4	\$48.75	\$195	0	\$0.00	\$0
FEMALE Section III Misc Mink	8	\$1.00	\$8	0	\$0.00	\$0
MALE AM Legend Dark Brown	0	\$0.00	\$0	45	\$105.62	\$4,753
MALE Dark Brown	0	\$0.00	\$0	25	\$104.72	\$2,618
MALE UNLAB Dark Brown	0	\$0.00	\$0	97	\$106.97	\$10,376
TOTAL	28,782		2,133,968	31,321		2,754,476
	QTY	Average	Weighted Avg	QTY	Average	Weighted Avg
Total Black	7,766	42.03	76.96	12,245	50.60	89.88
Total Mahogany	21,016	59.95	73.10	19,076	71.02	86.70

LonePeak Valuation Group
Jonsson vs. National Feeds
Recalculation of Historical Market Revenue from ALC Documents

Schedule 8
(1 of 2)

VARIETY	JONSSON MINK QUANTITY AT ALC AVERAGE PRICE								
	2008			2009			2010		
	QTY	Mkt	Mkt REV	QTY	Mkt	Mkt REV	QTY	Mkt	Mkt REV
FEMALE Breeder Std Rch	0	\$0.00	\$0	59	\$25.61	\$1,511	0	\$0.00	\$0
FEMALE Breeder Mahogany	0	\$0.00	\$0	78	\$29.05	\$2,266	0	\$0.00	\$0
MALE Section III Dark	59	\$49.29	\$2,908	7	\$30.27	\$212	200	\$46.17	\$9,234
MALE Section III Mahogany	84	\$42.39	\$3,561	318	\$29.86	\$9,495	202	\$23.02	\$4,650
MALE Section III Dark Brown	0	\$0.00	\$0	1	\$24.27	\$24	0	\$0.00	\$0
FEMALE Section III Dark	98	\$24.44	\$2,395	88	\$17.62	\$1,551	326	\$27.82	\$9,069
FEMALE Section III Mahogany	75	\$23.09	\$1,732	486	\$18.03	\$7,791	196	\$27.14	\$5,319
FEMALE Section III Dk Brown	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
FEMALE Section III Silverblue	0	\$0.00	\$0	0	\$0.00	\$0	1	\$21.50	\$22
FEMALE Section III Misc Mink	0	\$0.00	\$0	0	\$0.00	\$0	1	\$4.12	\$4
MALE Blackglama	2824	\$94.39	\$266,557	2468	\$54.49	\$134,481	2308	\$83.70	\$193,180
MALE Glma	1013	\$84.70	\$85,801	962	\$48.28	\$46,445	1110	\$77.41	\$85,925
MALE Std Rch Dark	687	\$77.88	\$53,504	507	\$45.78	\$23,210	549	\$74.57	\$40,939
FEMALE Blackglama	1786	\$54.09	\$96,605	2353	\$36.13	\$85,014	2076	\$58.56	\$121,571
FEMALE Glma	1357	\$43.00	\$58,351	760	\$30.97	\$23,537	1877	\$48.62	\$91,260
FEMALE Std Rch Dark	767	\$39.98	\$30,665	542	\$28.65	\$15,528	994	\$46.28	\$46,002
MALE Am Legend Mahogany	3777	\$84.62	\$319,610	2697	\$50.17	\$135,308	3450	\$76.86	\$265,167
MALE Mahogany	1757	\$74.04	\$130,088	1895	\$44.61	\$84,536	2062	\$72.36	\$149,206
MALE Unlab Mahogany	1462	\$69.55	\$101,682	1176	\$43.81	\$51,521	1718	\$71.23	\$122,373
FEMALE Am Legend Mahogany	3737	\$52.25	\$195,258	2196	\$35.50	\$77,958	2562	\$54.16	\$138,758
FEMALE Mahogany	1556	\$43.10	\$67,064	1801	\$30.66	\$55,219	1958	\$49.72	\$97,352
FEMALE Unlab Mahogany	1338	\$42.59	\$56,985	1070	\$30.27	\$32,389	1667	\$47.75	\$79,599
MALE Blackglama	43	\$0.00	\$0	29	\$50.54	\$1,466	47	\$71.47	\$3,359
MALE Breeder Std Rch	416	\$0.00	\$0	786	\$44.57	\$35,032	638	\$67.18	\$42,861
MALE Breeder Mahogany	1025	\$0.00	\$0	1247	\$43.60	\$54,369	1114	\$61.51	\$68,522
MALE Breeder Wild Type	4	\$0.00	\$0	3	\$31.36	\$94	0	\$0.00	\$0
MALE Breeder Silverblue	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
MALE Breeder Pastel	0	\$0.00	\$0	0	\$0.00	\$0	2	\$57.07	\$114
MALE Breeder Palomino	0	\$0.00	\$0	2	\$31.73	\$63	0	\$0.00	\$0
MALE Breeder White	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
MALE Breeder Sapphire	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
FEMALE Blackglama	7	\$0.00	\$0	35	\$31.13	\$1,090	5	\$47.36	\$237
FEMALE Breeder Std Rch	25	\$0.00	\$0	352	\$25.61	\$9,015	62	\$39.57	\$2,453
FEMALE Breeder Mahogany	102	\$0.00	\$0	256	\$29.05	\$7,437	179	\$42.93	\$7,684
FEMALE Breeder Dark Brown	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
FEMALE Breeder Wild Type	0	\$0.00	\$0	0	\$35.10	\$0	2	\$35.10	\$70
MALE Section III Dark	627	\$49.29	\$30,905	373	\$30.27	\$11,291	314	\$46.12	\$14,482
MALE Section III Mahogany	758	\$42.39	\$32,132	458	\$29.86	\$13,676	1158	\$47.20	\$54,658
MALE Section III Dk Brown	6	\$41.73	\$250	12	\$24.27	\$291	0	\$0.00	\$0
MALE Section III Iris	0	\$0.00	\$0	0	\$0.00	\$0	1	\$40.38	\$40
MALE Section III Pastel	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
MALE Section III Silverblue	2	\$37.01	\$74	1	\$19.25	\$19	0	\$0.00	\$0
MALE Section III Misc Mink	0	\$0.00	\$0	6	\$10.62	\$64	18	\$5.78	\$104
FEMALE Section III Dark	1876	\$24.44	\$45,849	645	\$17.62	\$11,365	1255	\$27.81	\$34,902
FEMALE Section III Mahogany	1927	\$23.09	\$44,494	671	\$16.03	\$10,756	1754	\$27.13	\$47,586
FEMALE Section III Dk Brown	21	\$27.64	\$580	2	\$16.32	\$33	0	\$0.00	\$0
FEMALE Section III Pastel	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
FEMALE Section III Silverblue	0	\$0.00	\$0	1	\$11.05	\$11	1	\$21.51	\$22
FEMALE Section III Misc Mink	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
MALE AM Legend Dark Brown	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
MALE Dark Brown	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
MALE UNLAB Dark Brown	0	\$0.00	\$0	0	\$0.00	\$0	0	\$0.00	\$0
TOTAL	29,216		1,627,051	24,343		944,068	29,807		1,736,724
	QTY	Average	Weighted Avg	QTY	Average	Weighted Avg	QTY	Average	Weighted Avg
Total Black	11,618	16.61	58.05	9,994	18.50	40.16	11,787	24.31	59.04
Total Mahogany	17,598	38.24	54.13	14,349	32.96	37.82	18,020	46.23	57.76

Note <1> This schedule does not agree with Dr. Roberts' summary of ALC statements due to minor differences between his schedules and actual source documents.

LonePeak Valuation Group
Jonsson vs. National Feeds
Recalculation of Historical Market I

Schedule 8
(2 of 2)

JONSSON MINK QUANTITY AT ALC AVERAGE PRICE						
VARIETY	2011			2012		
	QTY	Mkt	Mkt REV	QTY	Mkt	Mkt REV
FEMALE Breeder Std Rch	0	\$0.00	\$0	0	\$0.00	\$0
FEMALE Breeder Mahogany	0	\$0.00	\$0	0	\$0.00	\$0
MALE Section III Dark	43	\$68.04	\$2,926	54	\$79.80	\$4,309
MALE Section III Mahogany	90	\$71.33	\$6,420	121	\$81.30	\$9,837
MALE Section III Dark Brown	1	\$69.00	\$69	0	\$0.00	\$0
FEMALE Section III Dark	44	\$38.33	\$1,687	214	\$47.50	\$10,165
FEMALE Section III Mahogany	58	\$40.33	\$2,339	157	\$50.27	\$7,892
FEMALE Section III Dk Brown	0	\$0.00	\$0	1	\$43.71	\$44
FEMALE Section III Silverblue	0	\$0.00	\$0	0	\$0.00	\$0
FEMALE Section III Misc Mink	1	\$1.38	\$1	0	\$0.00	\$0
MALE Blackglama	1291	\$102.07	\$131,772	1237	\$122.67	\$151,743
MALE Glma	889	\$99.71	\$88,308	1768	\$109.65	\$193,861
MALE Std Rch Dark	711	\$89.26	\$63,464	1013	\$104.15	\$105,504
FEMALE Blackglama	1017	\$72.89	\$74,129	1530	\$87.37	\$133,676
FEMALE Glma	925	\$59.63	\$55,158	1974	\$67.52	\$133,284
FEMALE Std Rch Dark	705	\$55.30	\$38,987	1388	\$62.93	\$87,347
MALE Am Legend Mahogany	5641	\$97.35	\$549,151	3065	\$111.48	\$341,686
MALE Mahogany	1902	\$88.42	\$168,175	2707	\$101.95	\$275,979
MALE Unlab Mahogany	2331	\$90.00	\$209,790	2620	\$100.86	\$264,253
FEMALE Am Legend Mahogany	3647	\$64.53	\$235,341	3168	\$75.41	\$238,899
FEMALE Mahogany	1802	\$57.38	\$103,399	2243	\$68.04	\$152,614
FEMALE Unlab Mahogany	2219	\$58.24	\$129,235	1797	\$67.11	\$120,597
MALE Blackglama	14	\$96.96	\$1,357	10	\$117.14	\$1,171
MALE Breeder Std Rch	500	\$90.93	\$45,465	769	\$94.42	\$72,609
MALE Breeder Mahogany	1085	\$84.49	\$91,672	1192	\$87.78	\$104,634
MALE Breeder Wild Type	0	\$0.00	\$0	0	\$0.00	\$0
MALE Breeder Silverblue	3	\$88.15	\$264	0	\$0.00	\$0
MALE Breeder Pastel	0	\$0.00	\$0	0	\$0.00	\$0
MALE Breeder Palomino	2	\$95.16	\$190	0	\$0.00	\$0
MALE Breeder White	2	\$90.47	\$181	1	\$126.28	\$126
MALE Breeder Sapphire	0	\$0.00	\$0	1	\$91.60	\$92
FEMALE Blackglama	4	\$66.14	\$265	5	\$74.47	\$372
FEMALE Breeder Std Rch	43	\$53.74	\$2,311	111	\$56.14	\$6,232
FEMALE Breeder Mahogany	151	\$51.75	\$7,814	138	\$60.19	\$8,306
FEMALE Breeder Dark Brown	2	\$59.52	\$119	0	\$0.00	\$0
FEMALE Breeder Wild Type	0	\$0.00	\$0	0	\$0.00	\$0
MALE Section III Dark	606	\$68.04	\$41,232	869	\$79.80	\$69,346
MALE Section III Mahogany	951	\$71.33	\$67,835	1022	\$81.30	\$83,089
MALE Section III Dk Brown	6	\$69.00	\$414	26	\$69.51	\$1,807
MALE Section III Iris	0	\$0.00	\$0	0	\$0.00	\$0
MALE Section III Pastel	0	\$0.00	\$0	1	\$85.60	\$86
MALE Section III Silverblue	4	\$38.95	\$156	0	\$0.00	\$0
MALE Section III Misc Mink	0	\$0.00	\$0	0	\$0.00	\$0
FEMALE Section III Dark	921	\$38.33	\$35,302	1103	\$47.50	\$52,393
FEMALE Section III Mahogany	1139	\$40.33	\$45,936	846	\$50.27	\$42,528
FEMALE Section III Dk Brown	19	\$32.80	\$623	3	\$43.71	\$131
FEMALE Section III Pastel	1	\$39.21	\$39	0	\$0.00	\$0
FEMALE Section III Silverblue	4	\$14.75	\$59	0	\$0.00	\$0
FEMALE Section III Misc Mink	8	\$1.38	\$11	0	\$0.00	\$0
MALE AM Legend Dark Brown	0	\$0.00	\$0	45	\$107.00	\$4,815
MALE Dark Brown	0	\$0.00	\$0	25	\$99.96	\$2,499
MALE UNLAB Dark Brown	0	\$0.00	\$0	97	\$97.98	\$9,504
TOTAL	28,782		2,196,595	31,321		2,691,430
VARIETY	2011			2012		
	QTY	Average	Weighted Avg	QTY	Average	Weighted Avg
Total Black	7,766	40.85	74.62	12,245	49.14	85.02
Total Mahogany	21,016	62.73	76.95	19,076	72.00	86.51

LonePeak Valuation Group
Jonsson vs. National Feeds

Analysis of 2011 - 2013 Expected Results based on Historical Operating Results

Schedule 9

Results per Dr. Roberts' Loss Calculation:

Year	Quantity			Actual Prices		Actual/Expected		
	Black Pelt Sales	Mahogany Pelt Sales	Total Pelt Sales	Average Black Pelt Price	Average Mahogany Pelt Price	Actual Revenue	Lost Revenue	Expected Revenue
2008	11,618	17,598	29,216	\$ 61.19	\$ 53.10	\$ 1,645,251		\$ 1,645,251
2009	9,994	14,349	24,343	\$ 39.10	\$ 37.51	\$ 928,994		\$ 928,994
2010	11,787	18,020	29,807	\$ 60.22	\$ 56.82	\$ 1,733,710		\$ 1,733,710
2011	5,552	2,277	7,829			\$ 2,133,968	\$ 587,874	\$ 2,721,842
2012	4,496	560	5,056			\$ 2,754,476	\$ 430,756	\$ 3,185,232
2013	3,711	558	4,269				\$ 424,769	\$ 424,769

Note <1>

Year	Quantity			Market Prices / Premium (Discount)		Lost Revenue
	Black Pelt Sales	Mahogany Pelt Sales	Total Pelt Sales	Average Black Pelt Price	Average Mahogany Pelt Price	
2011	7,766	21,016	28,782	\$ (2.35)	\$ 3.85	\$ 62,627

Dr. Roberts' Pelts Taken to Market (Quality Loss)

2011	7,766	21,016	28,782	\$ (2.35)	\$ 3.85	\$ 62,627
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Dr. Roberts' Pelts Not Taken to Market (Quantity Loss)

2010	3,152	788	3,940	\$ 59.03	\$ 57.76	\$ 231,588
2011	2,400	1,489	3,889	\$ 74.62	\$ 76.95	\$ 293,658
2012	4,496	560	5,056	\$ 85.02	\$ 86.59	\$ 430,756
2013	3,711	558	4,269	\$ 98.66	\$ 105.08	\$ 424,769

Note <1>

Notes:

Note <1> Due to the timing of the Plaintiffs' breeding and harvesting cycles, Dr. Roberts' 2010 and 2011 Pelts Taken to Market would have been sold in 2011.

RICK S. HOFFMAN, CPA/ABV

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Mr. Hoffman has over eighteen years of experience in public accounting and consulting. He has been primarily involved with calculating damages related to commercial Litigation and has spent considerable time performing business valuations inside and outside of the litigation arena, with particular emphasis in the valuation of intellectual property. Mr. Hoffman is a Certified Public Accountant, Accredited in Business Valuation and has hundreds of hours of additional training in the areas of valuation, litigation, and lost profit calculations. He has taught on the subject of damages and has testified in State Court, Federal Court, Arbitrations, and acted as Special Master.

EMPLOYMENT HISTORY

April 2008 to Present	Co-Founding Shareholder and Principal Lone Peak Valuation Group Salt Lake City, Utah Litigation/Consulting Services
December 2000 to April 2008	Managing Director LECG, LLC Salt Lake City, Utah Litigation/Consulting Services
September 1992 to November 2000	Director PricewaterhouseCoopers LLP Salt Lake City, Utah Litigation/Consulting Services
September 1989 to August 1992	Sr. Associate Arthur Andersen & CO

EDUCATION & CREDENTIALS

Certified Public Accountant, Accredited in Business Valuations
Adjunct Professor – University of Utah (2002)
Co-Instructor NACVA – Valuation of Intellectual Property Damages
Southwest Texas State University, San Marcos, Texas
BA Accounting, 1989 (Magna Cum Laude)

PROFESSIONAL MEMBERSHIPS

American Institute of Certified Public Accountants
American Society of Appraisers (1999-2000)
Association of Investment Management Research (1998-2000)
Games Development Association – Patent Committee (2000-2001)
National Association of Certified Valuation Analysts (1999 - 2008)
National Litigation Certification Board – NACVA (2001-2001)
National Litigation Review Board (2005-2006)
Board Member of NACVA (2005-2006)
Management Advisory Council of LECG, LLC 2005
Editorial Advisory Board for National Litigation Consultants 2005-2006
Board Member of Journal of Business Valuation (2006-2010)
Board Member of Utah Clean Energy Association (2011 – Present)

SPEECHES, ARTICLES, AND BOOKS

“Earn Outs – Snake Oil or Cure-All?”, Speech Presented at the Utah State Bar Convention, Sun Valley, Utah, July 2012

“Valuing Multi-Level Marketing Companies”, Grant Thornton’s Direct Sellers Conference, October 2011

“Lost Profits in Trademark and Copyright Cases”, a chapter in *“The Comprehensive Guide to Lost Profits Damages”*, Business Valuation Resources, LLC June 2009

“Financial Discovery”, Utah Bar Association, August 2006

“Improving the Rigor of Your Market Approach”, National Litigation Consultants Review, Feature Article, February 2006

"Keeping Track of Your Experience", National Litigation Consultants Review, Feature Article, November 2005

"Valuing Intellectual Property and Other Intangible Assets", Business Valuation Resources, LLC, Telephone Conference, June 2005

"Value of Intellectual Property Damage Calculation", National Association of Certified Valuation Analysts, Las Vegas, Nevada, November 2004

"Intellectual Property Damages: Guideline and Analysis, 2004 Supplement", Wiley Publications, November 2004

"Valuation in Context of a Merger", Kennesaw State University, February 2004

"Valuing Start Up Technology Companies", National Internal Revenue Service, September 2003

"Corporate Analysis of Intellectual Property", Executive MBA Program, University of Utah, June 2003

"Value of Intellectual Property", National Association of Certified Valuation Analysts, New York, New York, June 2003

"Intellectual Property Damages: Guidelines and Analysis", Wiley Publications, November 2002

"Valuing Patents that are Not Generating Sales", The RMA Journal, May 2002

"An Introduction to Valuing Intellectual Property", The RMA Journal, May 2002

"How Intellectual Property Influences Your Existing Loans", The RMA Journal, April 2002

"Intellectual Property Valuation", American Institute of Certified Public Accountants, National Valuation Conference, December 2001

"Calculating Intellectual Property Damages", National Association of Certified Valuation Analysts, Chicago, Illinois, December 2001

"Calculating Intellectual Property Damages", National Association of Certified Valuation Analysts, Washington D.C., November 2001

"Reasonable Royalty Calculation", Valuation Examiner, Summer 2001

"Calculating Damages in Intellectual Property Cases", National Association of Certified Valuation Analysts, November 2001

"Intellectual Property Section", Utah State Bar, September 2000

"Calculating Intellectual Property Damages", National Association of Certified Valuation Analysts, Dallas, Texas, May 2000

"Valuing Intellectual Property", Guest Lecturer, University of Utah, February 2000

"Patent Damages", Utah Bar Association, April 1999

"Performing Business Valuations", Guest Lecturer, University of Utah, October 1998 & February 1999

"Maximizing the Value of Intellectual Property", Law and Economic Society, January 1999

"Business Valuations", Utah Bar Association, July 1998

"Calculating Personal Injury Damages", Young Lawyers Association, November 1997

"Calculating Personal Injury Damages", Utah Bar Association, July 1997

PRIOR TESTIMONY EXPERIENCE

Clearone Communication, Inc. vs. Andrew Chaing and WideBand Solutions, Inc.
Trial
Federal Court of Utah

Wardell vs. Clyde
Deposition
3rd District Court of Utah

Praise Kutchera vs. USANA
Arbitration
Salt Lake City, Utah

1-800-Contacts, Inc. vs. Lens.Com
Deposition
Federal Court of Utah

**East Jordan School District vs.
West Jordan School District**
Arbitration

Salt Lake City, Utah
**Tim Schmanski and Maria Schmanski
vs. Nielson, Desert Irrigation Company,
and Millard County**
Deposition and Trial
4th District Court of Utah

Kim K. Marquardt vs. Robert S. Marquardt
Trial
3rd District Court of Utah

**Basic Research Testimony Regarding
Nutritional Products**
Testimony
District of Columbia

**Sai Food Sensations vs. TCBY
Systems, LLC**
Deposition
State of New York

**Patricia Dahl vs. James C. Pinegree, M.D.
And Utah Orthopedic Associates, P.C.**
Deposition
3rd District Court of Utah

**Robert Stillwell, Futurelink Corp., SDP
Electronics, Inc., Electronic Marketing
Corporation vs. Radioshack Corporation**
Deposition
Southern District of California

**Donald and Tamaron Cole vs. Lynn
Hines and Swift Transportation Co. Inc.**
Deposition

3rd District Court of Utah
**Turner Gas Company vs. Mark A.
Harris and Kamps Company**
Deposition
3rd District Court of Utah

Ipalani Lewis
Deposition
3rd District Court of Utah

**Nagraj Narasimhan, Total Renal Care,
Inc. and Gate City Dialysis Center vs.
vs. Rahim and Kidney Institute, LLP**
Deposition
District of Hawai'i

**Liberty Dialysis, Hawai'i LLC and St.
Francis Medical Center vs. Fresenius
Medical Holding and Bio-Medical
Application of California**
Deposition
District of Hawai'i

**ASC Utah, Inc., d/b/a The Canyons vs.
Wolf Mountain Resorts, L.C.**
Deposition
3rd District Court of Utah

**Hansen Beverage Company, d/b/a
Monster Beverage Company vs.
Cytosport, Inc.**
Deposition
Central District of California

Mark Haug vs. La Caille Restaurant Corporation, et al.

Trial

3rd District Court of Utah

Unishippers Global Logistics, LLC vs. DHL Express (USA), Inc.

Deposition

District Court of Utah, Central Division

Sara Lee Corporation vs. Sycamore Family Bakery, Inc., and Leland Sycamore

Deposition

District Court of Utah, Central Division

Quality Jeep Chrysler, Inc., n/k/a Quality Automotive Sales and Service, Inc. vs. Chrysler Group, LLC

Arbitration

Salt Lake City, Utah

Cutrubus Motors, Inc., Rocky Mountain Chrysler Jeep vs. Chrysler Group, LLC

Arbitration

Salt Lake City, Utah

B. Scott Berry and Lind Berry vs. Davis Hospital and Medical Center, L.P.

Arbitration

Salt Lake City, Utah

Shari J. Jackson and Michael L. Jackson vs. Glen R. Fuller, M.D.

Deposition

3rd District Court of Utah

Samuel Harrison and Ashley Harrison vs. CNL Income Properties, Inc.

Deposition

3rd District Court of Utah

Kevin R. Griffith vs. Douglas Deny, M.D.

Deposition

3rd District Court of Utah

Connor Sport Court International, Inc. vs. Snap Court, LLC d/b/a Snap Sports Company

Deposition

3rd District Court of Utah

Zulema McLean and the Estate of Christopher Lee McLain vs. Tooele Hospital Corporation, d/b/a Mountain West Medical Center

Deposition

3rd District Court of Utah

First Line Security Bankruptcy Hearing

Trial

Federal Court of Utah

Unishippers Global Logistics, LLC vs. DHL Express (USA), Inc.

Deposition

3rd District Court of Utah

Eleutian Technology, LLC vs. Pearson Education, Inc., and NCS Pearson, Inc.

Arbitration

Salt Lake City, Utah

**USS Logistics, LLC, et al. vs. DHL
Express (USA), Inc.**
Deposition and Trial
Federal Court of Utah

**Premier Technology, Inc. vs. Chad
Orr, et al.**
Deposition
3rd District Court of Utah

**Fatu Matagi and Shellise Matagi vs.
Pacifcorp d/b/a Rocky Mountain Power**
Deposition
3rd District Court of Utah

**Tri-Valley Distributing vs. Western
Life Assurance Company**
Deposition
3rd District Court of Utah

American Ski vs. Wolf Mountain
Deposition and Trial
Federal Court of Utah

**Tahitian Noni International, Inc. vs.
Robert L. Dean, Jr., and Top Gun
International**
Trial
Federal Court of Utah

**ASC Utah, Inc. d/b/a The Canyons vs.
Wolf Mountain Resorts, L.C.**
Trial
3rd District Court of Utah

Holly L. Johnston
Deposition
Utah State Court

**Daniel Updike vs. Yamaha Motor
Corporation, U.S.A., et al.**
Deposition
Utah State Court

Mud Buddy, LLC vs. Gator Tail, LLC
Deposition
3rd District Court of Utah

**Zip Ship, Inc. vs. Unishippers Global
Logistics, LLC**
Trial
3rd District Court of Utah

**Sammy Boutot vs. Kevin D. Hiatt and
Flint Energy**
Deposition
3rd District Court of Utah

Debbie Herrera vs. Maria Oneida, M.D.
Deposition
3rd District Court of Utah

**Glen Jensen and Itsumo Family
Investment Co., LLC vs. Agel
Enterprises LLC and James Savas**
Deposition
4th District Court of Utah

**Gulf Coast Shippers, LP, et al vs. DHL
Express (USA), Inc.**
Deposition and Trial
Federal Court of Utah

**Glen Jensen and Itsumo Family
Investment Co., LLC vs. Agel
Enterprises LLC and James Savas**
Trial
4th District Court of Utah

**Brigham Young University and Dr.
Daniel L. Simmons vs. Pfizer, Inc. G.D.
Searle and Company, Monsanto Company,
And Pharmacia Corporation**
Deposition
3rd District Court of Utah

**David Day and Shanna Day vs. Brooke
Horan and Justin Williams**
Deposition
3rd District Court of Utah

**Kristy Szeles and Rick Szeles vs. The
Kroger Company**
Deposition
3rd District Court of Utah

**Education Opportunities in America,
Inc. vs. Stevens-Henager College**
Deposition and Trial
3rd District Court of Utah

**Legacy Resources, Inc. vs. Liberty Pioneer
Energy Source, Inc.**
Testimony
Salt Lake City, Utah

**Arla Jean Cochran and Loren Cochran
vs. Intermountain Health Care, a Utah
Corporation and Scott Smith, M.D.**
Trial
5th District Court of Utah

**Thomas Zenger vs. Javier Becerra-Macias
and Dynatec Corporation**
Deposition
Salt Lake City, Utah

**Patricia Dahl vs. James C. Pingree,
M.D., and Utah Orthopedic Associates**
Arbitration
3rd District Court of Utah

Suzanne Caruso vs. Viridian Network, LLC
Arbitration
New York, New York

Roy Santo vs. Lithonia Lighting
Deposition
Salt Lake City, Utah

Verlyn Linford vs. Tri City Medical Clinic, P.C.
Deposition
Salt Lake City, Utah

**Cindy Schaugaard vs. State Farm
Insurance and Lee Ann Wight**
Trial
3rd District Court of Utah

Sara Lee Corporation vs. Sycamore Family Bakery, Inc. and Leland Sycamore
Trial
Federal Court of Utah

Alexis Flores and Jennifer Flores vs. University of Utah Health Sciences Center
Deposition
Salt Lake City, Utah

Debrah Orr Watts and Todd Watts vs. University of Utah Hospital, et al.
Deposition
Idaho

Cytosport, Inc. vs. Vital Pharmaceuticals, Inc.
Deposition
Irvine, California

Ifreedom Direct Corporation vs. First Tennessee Bank National Association
Trial
3rd District Court of Utah

Wendy McDaniel vs. Marc C. Bingham
Deposition
3rd District Court of Utah

USS Logistics, LLC, et al. vs. DHL Express (USA), Inc.
Deposition
Supreme Court of the State of New York
County of New York

iFreedom Direct Corporation vs. First Tennessee Bank National Association
Deposition
Salt Lake City, Utah

Stone Flood and Fire Restoration, Inc. vs. Safeco Insurance Company of America
Trial
Federal Court, Utah

MP Nexlevel, LLC vs. Codale Electric Supply, Inc., et al.
Deposition
Salt Lake City, Utah

Karen Christoffersen vs. United Parcel Service, Inc.
Deposition
United States District Court, District of Utah, Central Division

Hornady Manufacturing Company vs. Double Tap Ammunition, Inc.
Deposition
United States District Court of Utah

Lonnie Jill Wootten and Salih Wooten vs. Anthony R. Butler
Deposition
United States District Court for the Northern District of Alabama Southern Division

Verilyn Linford vs. Tri City Medical Clinic, P.C.
Trial
Fourth Judicial District Court of Utah

Lone Peak Valuation Group Rates

Partners

Rick Hoffman: \$350 per hour
Kent Goates: \$275 per hour
Roger Smith: \$275 per hour
Cory Kennedy: \$230 per hour

Managers

Burk Reynolds: \$225 per hour
Laura McNichols: \$220 per hour
John Pilkinton: \$220 per hour
Gavin Harris: \$215 per hour
Jeff Pickett: \$200 per hour
Jeremy Sharpe: \$195 per hour
Matt Germane: \$185 per hour

Senior Associates

Dave Cook: \$160 per hour
Ying Zhang: \$155 per hour
Yongsheng Wang: \$155 per hour

Associates

Rhett Mason: \$140 per hour
Kristin Nicks: \$120 per hour
Laura Ewald: \$90 per hour

Administrative

Krystina McLain: \$85 per hour

